THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Greenland Hong Kong Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION (2) CONTINUING CONNECTED TRANSACTIONS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

BOCI ASIA LIMITED

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

八方金融有限公司
OCTAL Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM to be held at 10:00 a.m. on Thursday, 10 December 2020 is set out on pages EGM-1 and EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM via e-Meeting System, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting via e-Meeting System at the EGM.

25 November 2020

CONTENTS

In this circular, the following expressions have the following meanings, unless the context requires otherwise:

"Acquisition"	the acquisition of the entire equity interest in the Target Company pursuant to the Equity Transfer Agreement
"Articles of Association"	the articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 337)
"Completion"	the completion of the Acquisition (namely, when the change of holder of the equity interest of the Target Company has been registered with the relevant local authority and the books and records of the Target Group have been delivered to the Purchaser)
"Completion Accounts"	the audited consolidated financial statements of the Target Group as at the Completion Date to be prepared by an independent auditor in accordance with IFRS
"Completion Date"	the date of Completion of the Acquisition
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Consideration"	the equity consideration for the Acquisition of approximately RMB3.64 billion (subject to adjustment) together with an amount equal to the Net Debt
"Construction Agreements"	construction agreements entered into between certain members of the Target Group and certain members of the Greenland Group in relation to the construction works for certain projects held by the Target Group

"Continuing Transactions"	has the meaning ascribed to it under the paragraph headed "Existing Continuing Transactions" in the "Letter from the Board"
"Controlling Shareholder"	Gluon Xima International Limited, a company incorporated in Hong Kong, which directly holds approximately 59.11% of the total issued ordinary share capital of the Company as at the date the Latest Practicable Date
"Directors"	the directors of the Company
"Enlarged Group"	the Group as enlarged by the transactions contemplated under the Equity Transfer Agreement
"EGM"	the extraordinary general meeting of the Company to be convened and held at 10:00 a.m. on Thursday, 10 December 2020 for the purpose of considering, and if thought fit, approving, among other things, the Acquisition and the transactions contemplated thereunder
"Equity Consideration"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"Equity Transfer Agreement"	the Equity Transfer Agreement dated 12 October 2020 entered into by the Purchaser, the Vendor and the Target Company in relation to the Acquisition
"Final Instalment"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"First Instalment"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"Fourth Instalment"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"Greenland Group"	Greenland Holdings and its subsidiaries (excluding the Group and the Target Group)

"Greenland Holding Group"	Greenland Holding Group Company Limited* (綠地控股集團有限公司), a company established in the PRC and a wholly-owned subsidiary of Greenland Holdings
"Greenland Holdings"	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600606), and the ultimate controlling shareholder of the Company
"Greenland Real Estate"	Greenland Real Estate Group Co. Ltd.* (綠地地產集團有限公司), a company established in the PRC and a wholly-owned subsidiary of Greenland Holdings
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Holdback Sum"	has the meaning ascribed to it under the paragraph headed "Indemnities" in the "Letter from the Board"
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Independent Board Committee"	the committee of the Board comprising all the independent non-executive Directors (namely, Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G.)
"Independent Financial Adviser" or "Octal Capital Limited"	means Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Acquisition
"Independent Shareholders"	Shareholders other than those who are required by the Listing Rules to abstain from voting at the EGM to be convened to approve the Acquisition

"Landscape Agreements"	agreements entered into between certain members of the Target Group and certain members of the Greenland Group in relation to the Landscape Greening Works for certain projects held by the Target Group
"Landscape Greening Works"	the landscape construction and greening works to be provided pursuant to the Landscape Agreements
"Latest Practicable Date"	20 November 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Net Debt"	the amount of loans and dividend payable owed by the Target Group to the Greenland Group as at Completion Date after setoff of loans owed by the Greenland Group to the Target Group
"PRC" or "China"	the People's Republic of China which, for the purposes of this circular, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Procurement Agreements"	agreements entered into between certain members of the Target Group and Quanjing in relation to the supply of windows, window blinds and roof tiles to certain projects held by the Target Group
"Purchaser"	Shanghai Oriental Cambridge Property Development Co., Ltd.* (上海東方康橋房地產發展有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Quanjing"	Shandong Greenland Quanjing Windows Co., Ltd.* (山東綠地泉景門窗有限公司), a company established in the PRC with limited liability and a subsidiary of Greenland Holdings

"RMB"	Renminbi, the lawful currency of the PRC
"Second Instalment"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"SFO"	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.50 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholders' Approval"	approval from the Shareholders to be obtained at the Extraordinary General Meeting in relation to the Equity Transfer Agreement and the transactions contemplated therein
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Substantial Shareholders"	has the meaning ascribed to it under the Listing Rules
"Target Company"	Guangzhou Greenland Real Estate Development Co. Ltd.* (廣州綠地房地產開發有限公司), a company established in the PRC, and a wholly-owned subsidiary of the Vendor
"Target Group"	the Target Company, its subsidiaries, jointly-controlled entities, and branch offices
"Third Instalment"	has the meaning ascribed to it under the paragraph headed "Terms of Payment" in the "Letter from the Board"
"US$"	United States Dollar, the lawful currency of the United States
"Vendors"	Greenland Holding Group and Greenland Real Estate
"%"	per cent

* *for identification purposes only*

All registered shareholders will be able to join the EGM via the e-Meeting System. Our e- Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

Through the e-Meeting System, our registered shareholders will be able to view the live video broadcast and participate in voting and submit questions online. Login details and information will be included in our letters to registered shareholders regarding the e-Meeting System.

The live broadcast can broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.

HOW TO ATTEND AND VOTE

Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

(1) attend the EGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or

(2) appoint the Chairman of the EGM or other persons as your proxy by providing their email address for receiving the designated log-in username and password to attend and vote on your behalf via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote via the e-Meeting System.

If you are a non-registered shareholder, you may instruct your banks, brokers or other custodians to appoint a proxy to attend and vote via the e-Meeting System for the EGM on your behalf if you wish.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Company (http://www.greenlandhk.com) and HKEX (www.hkexnews.hk) for the latest announcement and information relating to the EGM.

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 337)

Executives Directors:
Mr. Chen Jun *(Chairman and Chief Executive Officer)*
Mr. Wang Weixian *(Honorary Chairman)*
Mr. Hou Guangjun *(Chief Operation Officer)*
Mr. Wu Zhengkui
Ms. Wang Xuling

Independent Non-Executive Directors:
Mr. Fong Wo, Felix, JP
Mr. Kwan Kai Cheong
Dr. Lam, Lee G.

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters:
No. 193 Xiehe Road
Changning District
Shanghai, China

Principal place of business in Hong Kong:
Unit 5711, 57th Floor
The Center
99 Queen's Road Central
Hong Kong

25 November 2020

To the Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION
(2) CONTINUING CONNECTED TRANSACTIONS AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 12 October 2020 in relation to the Equity Transfer Agreement. The purpose of this circular is to provide you with details of, among others:

(i) further details of the Equity Transfer Agreement and the transactions contemplated thereunder;

(ii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the transactions contemplated thereunder;

(iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement and the transactions contemplated thereunder;

(iv) the accountants' report of the Target Group;

(v) the unaudited pro forma financial information of the Group;

(vi) a valuation report of properties held by the Target Group as at 30 September 2020;

(vii) the notice of the EGM, to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the EGM; and

(viii) other information as required under the Listing Rules relating to the Equity Transfer Agreement.

On 12 October 2020, the Purchaser, the Vendors and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the entire equity interest in the Target Company. The Consideration shall comprise (i) an equity consideration of approximately RMB3.64 billion (subject to adjustment); and (ii) an amount equal to the Net Debt owing by the Target Group to the Greenland Group as at Completion. For reference, the Net Debt as at 30 June 2020 was approximately RMB3.62 billion. As such, based on the Net Debt as at 30 June 2020, the total consideration is approximately RMB7.26 billion.

Details of the Equity Transfer Agreement are set out below:

THE EQUITY TRANSFER AGREEMENT

Date

12 October 2020

Parties

(i) Shanghai Oriental Cambridge Property Development Co., Ltd.* (上海東方康橋房地產發展有限公司) as the Purchaser;

(ii) Greenland Holding Group Company Limited* (綠地控股集團有限公司) as one of the Vendors;

(iii) Greenland Real Estate Group Co. Ltd.* (綠地地產集團有限公司) as one of the Vendors; and

(iv) Guangzhou Greenland Real Estate Development Co. Ltd.* (廣州綠地房地產開發有限公司) as the Target Company.

Subject Matter

Pursuant to the terms of the Equity Transfer Agreement, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire equity interest of the Target Company, free from all encumbrances, and together with rights attaching thereto as at Completion. The Purchaser shall also settle the Net Debt.

Consideration

The Consideration shall comprise: (i) the equity consideration of approximately RMB3.64 billion (subject to adjustment) (the "**Equity Consideration**"); and (ii) an amount equal to the Net Debt. As at 30 June 2020, the Net Debt based on the consolidated management accounts of the Target Group prepared in accordance with IFRS was approximately RMB3.62 billion. As such, based on the Net Debt as at 30 June 2020, the Consideration is approximately RMB7.26 billion.

The initial equity consideration was arrived at after arm's length negotiations between the Vendors and the Purchaser, taking into account, amongst other things: (a) the strategic addition of sizeable land bank held by the Target Group in the growing Greater Bay Area; (b) the positive prospects of real estate in the Greater Bay Area in the long run; and (c) the adjusted net asset value of the Target Group attributable to the Vendors as at 30 June 2020 in the amount of approximately RMB3.64 billion. Details of the positive prospects of real estate in the Greater Bay Area are set out in the section headed "Reasons for and Benefits of the Acquisition" in this Circular.

The adjusted net asset value of the Target Group attributable to the Vendors was determined based on (i) the net asset value of the Target Group attributable to the Vendors in the amount of approximately RMB2.23 billion[1] based on the consolidated management accounts of the Target Group as at 30 June 2020 prepared in accordance with IFRS (which includes prepayments for land of approximately RMB0.51 billion that has been included

1. The net asset value of the Target Group attributable to the Vendors based on management accounts of the Target Group as at 30 June 2020 is approximately RMB2.23 billion, while the net asset value of the Target Group attributable to the Vendors based on the audited financials of the Target Group as at 30 June 2020 is approximately RMB2.20 billion as set out in Appendix II to this Circular. The shortfall of RMB0.03 billion represented the reversal of deferred tax assets recognized as it did not meet the recognition criteria under the relevant accounting standard.

in the Target Group's land bank but pending issuance of land use rights certificate), (ii) the revaluation surplus of approximately RMB3.84 billion[2] based on a valuation letter of the properties of the Target Group attributable to the Vendors as at 30 June 2020 prepared by an independent valuer (with the unpaid land premium of RMB1.36 billion deducted) and which valuation the Directors believe to be fair and reasonable, less the estimated deferred tax (land appreciation tax and enterprise income tax) of approximately RMB2.43 billion.

Deferred tax consists of (a) land appreciation tax, and (b) enterprise income tax. The potential land appreciation tax ("**LVAT**") in terms of the revaluation surplus is calculated as the LVAT based on the sum of net asset value (per audited accounts) and the revaluation surplus (per valuation results) of a specific real estate project as of 30 June 2020, less the accrued LVAT based on the net asset value of a specific real estate project as of 30 June 2020 (per audited accounts), applying the statutory LVAT rates ranging from 30% to 60% depending on the value appreciation rate of the specific real estate project. The potential enterprise income tax ("**EIT**") is calculated based on the revaluation surplus (per valuation results), if any, less the estimated LVAT and other relevant cost, applying the statutory EIT rate of 25%.

Since 30 June 2020 and as at the Latest Practicable Date, one of these 35 properties in Guangdong Province held by the Target Group has completed construction, sales and delivery to independent property purchasers. The completion of construction, sales and delivery of such property would not lead to any material change to the adjusted net asset value of the Target Group as at 30 June 2020. This is because the increase in net asset value was offset by the decrease in the revaluation surplus when the Target Group delivered the properties to property purchasers. The increase in net asset value was due to the profit derived from (i) revenue recognized when the Target Company received the pre-sale deposits from customers, which is approximately equal to the market value per valuation letter as at 30 June 2020; (ii) the related cost of sales of the carrying amount of the properties incurred and tax incurred.

The equity consideration shall be adjusted based on the Completion Accounts using the same principle in the determination of adjusted net asset value attributable to the Vendors. The valuation of the properties of the Target Group as at the Completion Date shall be calculated based on the valuation as at 30 June 2020 and factoring in the development costs incurred and properties delivered between 30 June 2020 and the Completion Date. The excess or shortfall compared to the adjusted net asset value of the Target Group attributable to the Vendors as at 30 June 2020 will be paid to the Vendors by the Purchaser or deducted by the Purchaser from the equity consideration (as the case may be).

The final Net Debt shall be as shown in the Completion Accounts.

The Consideration will be settled by the Company using its internal resources.

2. The revaluation surplus of approximately RMB3.84 billion is the revaluation surplus attributable to the Vendors as at 30 June 2020, while the revaluation surplus set out on page I-5 to this Circular represents revaluation surplus of total properties and the land pending issuance of land use rights certificate held by the Target Group as of 30 September 2020.

Terms of Payment

The Consideration shall be settled in the following manner:

(i) 10% of the Consideration (being approximately RMB0.73 billion, subject to adjustment based on the Completion Accounts) shall be paid within twenty (20) business days immediately following the date on which the Acquisition is approved at the EGM (the "**First Instalment**");

(ii) 20% of the Consideration (being approximately RMB1.45 billion, subject to adjustment based on the Completion Accounts) shall be paid within six (6) months immediately following the date on which the Acquisition is approved at the EGM (the "**Second Instalment**");

(iii) 20% of the Consideration (being approximately RMB1.45 billion, subject to adjustment based on the Completion Accounts) shall be paid within nine (9) months immediately following the date on which the Acquisition is approved at the EGM (the "**Third Instalment**");

(iv) 30% of the Consideration (being approximately RMB2.18 billion, subject to adjustment based on the Completion Accounts) shall be paid within eleven (11) months immediately following the date on which the Acquisition is approved at the EGM (the "**Fourth Instalment**"); and

(v) the balance of the Consideration (after withholding the Holdback Sum (or part thereof), if applicable) shall be paid within twelve (12) months immediately following the date on which the Acquisition is approved at the EGM (the "**Final Instalment**").

The amount of Consideration paid by the Purchaser shall be applied towards settlement of the Equity Consideration and/or the Net Debt at the election of the Purchaser.

The Second Instalment to the Final Instalment shall only be paid by the Purchaser at or after Completion and the confirmation of the final Consideration (as the case may be). The Consideration shall be adjusted based on the Completion Accounts. If Completion or the confirmation of the final Consideration has not occurred by the dates specified above, the payment of the Consideration shall be delayed accordingly.

If 10% of the final Consideration (as adjusted based on the Completion Accounts) differs from the amount already paid by the Purchaser under the First Instalment, the excess of the First Instalment paid over 10% of the final Consideration shall be returned to the Purchaser or the shortfall of the First Instalment paid over 10% of the final Consideration shall be paid by the Purchaser, as the case may be, within ten (10) business days of the confirmation of the final Consideration.

Geographic allocation

Pursuant to the Equity Transfer Agreement, the Vendors agreed that upon Completion, the Group will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong Province.

Conditions Precedent and Completion

Completion is conditional upon the following conditions having been fulfilled or waived (as the case may be):

(i) the Company having obtained Independent Shareholders' approval for the Acquisition at the EGM in accordance with the Listing Rules;

(ii) the representations and warranties made by the Vendors and the Target Company remaining true, accurate and not misleading through to Completion, and the Vendors and the Target Company not having breached any of their obligations under the Equity Transfer Agreement before Completion;

(iii) no government authority having formulated, issued, promulgated, implemented, or adopted any laws or government decrees (whether temporary, preliminary or permanent) that restrict or prohibit Completion or render the transactions contemplated under the Equity Transfer Agreement illegal;

(iv) there not having been any material adverse impact on the Target Group through to Completion; and;

(v) written consent having been obtained from certain creditors of the Target Group in respect of the Acquisition.

Conditions (i) and (iii) may not be waived. Conditions (ii), (iv) and (v) may be waived by the Purchaser.

For condition (v), the certain creditors of the Target Group are commercial banks which have outstanding loans to the Target Group and the relevant loan agreements specified that the consent of such banks is required in the event of a change in shareholding of the Target Company.

If any of the above condition has not been fulfilled (or waived by the relevant party) on or before 30 June 2021 (or such later date as the parties may agree), the Equity Transfer Agreement shall be terminated automatically. The Consideration shall be refunded to the Purchaser within ten (10) business days of the termination of the Equity Transfer Agreement.

Completion shall take place within ten (10) business days (or such other date as may be agreed by the parties) immediately following the date on which the abovementioned conditions have been satisfied or waived, and the Purchaser has paid the First Instalment to the Vendors. The parties shall together register the change of ownership of the equity interest at the relevant authority and the Vendors shall deliver the books and records of the Target Group to the Purchaser at Completion.

Indemnities

The Vendors shall indemnify the Purchaser for losses incurred by the Purchaser if the Vendors or the Target Company breach any of the customary representations, warranties and undertakings given by them in the Equity Transfer Agreement or as a result of any act or omission of the Vendors or the Target Group before Completion (such as breach of any laws, contracts or undertakings, defects in the equity interest or assets held by any of them). The Purchaser's right to indemnification under the Equity Transfer Agreement is not qualified by its actual or constructive knowledge prior to entry of the Equity Transfer Agreement.

The Vendors' indemnity obligation covers certain contingent liabilities that the Target Group may be subject to as specifically set out in the Equity Transfer Agreement in relation to its property development projects. These contingent liabilities which were identified in the course of legal and financial due diligence include government or administrative fines, costs and liabilities which may be incurred as a result of or in relation to its failure to satisfy its contractual obligations, ongoing litigation, potential disputes and the like. For such contingent liabilities, the estimated total amount is approximately RMB0.95 billion which comprises (i) a possible expenditure of approximately RMB0.48 billion for failure to satisfy contractual obligations in relation to the construction and delivery of properties, (ii) a possible expenditure of approximately RMB0.25 billion for not meeting the agreed amount of tax contributions in relation to the development of certain property, (iii) a possible expenditure of approximately RMB0.02 billion for not making timely payment as agreed under a certain agreement, (iv) a possible expenditure of approximately RMB0.16 billion for certain ongoing litigation, (v) a possible expenditure of approximately RMB0.04 billion in relation to the potential disputes with minority shareholders on certain projects' costs and administrative fines on construction issues. For items (i), (ii) and (iii), the amounts were determined based on provision on liquidated damages as provided in the relevant agreements, and for items (iv) and (v), the amount was determined based on the amount claimed for the relevant dispute and the Purchaser's assessment of the claims.

If the Purchaser incurs any loss as a result of these incidents within twelve (12) months after the EGM, the Purchaser shall deduct an amount equal to each such actual loss from future instalment(s) of the Consideration payable. If any of these incidents remain unresolved within twelve (12) months after the EGM, the Purchaser shall withhold from future instalment(s) the estimated amount of damages in relation to the unresolved incidents (the "**Holdback Sum**"). The Holdback Sum shall be approximately RMB0.95 billion. If after 12 months from the EGM, the incidents are resolved without loss to the Purchaser, the Purchaser shall pay an amount correlating to the relevant incident(s) out of the Holdback Sum to the Vendors. If the incidents are not resolved and the Purchaser incurs a loss as a result, an amount correlating to the relevant incident(s) out of the Holdback Sum shall be adjusted and settled according to the actual loss incurred by the Purchaser. The Company understands that if the actual loss incurred by the Purchaser exceeds the Holdback Sum, the Holdback Sum shall not be returned to the Vendors and the Vendors shall pay to the Purchasers the amount of loss incurred by the Purchaser not covered by the Holdback Sum. If the actual loss incurred by the Purchaser is less than the Holdback Sum, the balance of the Holdback Sum in excess of the actual loss incurred by the Purchaser shall be returned to the Vendors. In addition, the Company understands that if the incidents are not resolved after the 12 months from the EGM, an amount correlating to the relevant incident(s) out of the Holdback Sum shall be withheld by the Purchaser until the incidents are resolved in the future. If the Holdback Sum is insufficient to cover losses arising from the relevant incident(s), the Purchaser shall be entitled to claim additional damages from the Vendors in respect of those incident(s).

Based on the contingent liabilities identified in the course of the Company's legal and financial due diligence on the Target Group, the Company believes that the Holdback Sum is reasonably sufficient to cover such liabilities. In addition, in the event that the Holdback Sum is insufficient to cover any such liabilities, the Company believes that Greenland Holdings, being the holding company of the Vendors and the ultimate controlling shareholder of the Company, will procure payment of the amount of loss incurred by the Purchaser that is not covered by the Holdback Sum. Greenland Holdings is listed on the Shanghai Stock Exchange and a Fortune 500 company.

The PRC legal adviser of the Company who conducted the legal due diligence of the Target Group is of the view that, except for the contingent liabilities of approximately RMB0.95 billion, there is no other uncertain event that is very likely to occur and may cause significant losses to the Company. The PRC financial due diligence adviser engaged by the Company to conduct financial due diligence on the Target Group is of the view that, based on PRC legal adviser's view on the due diligence findings and likelihood of contingencies, and the PRC financial and tax due diligence advisers' due diligence findings, the Target Group has no other material contingent liability which has not been reflected on the balance sheet of the Target Group as of 30 June 2020.

Separately, the Purchaser shall indemnify the Vendors for losses incurred by the Vendors if it breaches any of the customary representations, warranties and undertakings given by it in the Equity Transfer Agreement.

INFORMATION ON THE PARTIES

The Company

The Company was incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange. The Company is a property holding company and the Group is principally engaged in property development, property and hotel investment and property management.

The Purchaser

The Purchaser was incorporated in the PRC and a wholly-owned subsidiary of the Company. The Purchaser is a property investment company.

The Vendors

Each of the Vendors is a wholly-owned subsidiary of and is thus ultimately beneficially owned by Greenland Holdings, the ultimate controlling shareholder of the Company. The Vendors are principally engaged in property investment.

The Controlling Shareholder and Greenland Holdings

The Controlling Shareholder is an investment holding company incorporated in Hong Kong. It is a wholly-owned subsidiary of Hong Kong Vee Eight Limited. The entire issued share capital of Hong Kong Vee Eight Limited is held by Greenland Holding Group. The entire issued share capital of Greenland Holding Group is held by Greenland Holdings, the ultimate controlling shareholder of the Company. As at the Latest Practicable Date, the Controlling Shareholder directly holds approximately 59.11% of the total issued share capital of the Company.

Greenland Holdings is a company listed on the Shanghai Stock Exchange (stock code: 600606). Based on its 2020 interim report, Greenland Holdings is held as to 29.13% by Shanghai Gelinlan Investment Corporation (Limited Partnership)* (上海格林蘭投資企業(有限合夥)), 25.82% by Shanghai Real Estate (Group) Co., Ltd.* (上海地產(集團)有限公司) and 20.55% by Shanghai Urban Investment (Group) Co., Ltd.* (上海城投(集團)有限公司). The remaining top ten shareholders of Greenland Holdings together hold less than 10% interest in Greenland Holdings.

The Company understands that Shanghai Real Estate (Group) Co., Ltd.* (上海地產(集團)有限公司) and Shanghai Urban Investment (Group) Co., Ltd.* (上海城投(集團)有限公司) are wholly-owned by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會). The Company further understands that Shanghai Gelinlan Investment Corporation (Limited Partnership)* (上海格林蘭投資企業(有限合夥)) is held as to approximately 13.80% by Shanghai Gelinlan One Investment Management Center (Limited Partnership)* (上海格林蘭壹投資管理中心(有限合夥)), with the remaining shareholders each holding less than 10% interest in it. Shanghai Gelinlan One Investment Management Center (Limited Partnership)* (上海格林蘭壹投資管理中心(有限合夥)) is held as to over 99% by more than 40 employees of Greenland Holdings or its subsidiaries, with one employee holding more than 10% interest in it.

The Target Company

The Target Company is a company established in the PRC and is held as to 95% by Greenland Holding Group Company Limited* (綠地控股集團有限公司) and 5% by Greenland Real Estate Group Co. Ltd.* (綠地地產集團有限公司), being the Vendors. The Target Group is primarily engaged in property development. The Target Group comprises the Target Company, 46 subsidiaries, 3 jointly-controlled entities and 6 branch offices. As at 30 June 2020, the Target Group held 35 properties in Guangdong Province, of which 29 properties were in the Greater Bay Area. As at the Latest Practicable Date, as one of these 35 properties, which located in Guangzhou, Guangdong Province, has completed construction, sales and delivery to independent property purchasers, the number of properties held by the Target Group decreased to 34, of which 28 properties were located in the Greater Bay Area.

Set out below is a summary of the audited financial information of the Target Company for the two financial years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December 2018 *(RMB million)*	**For the year ended 31 December 2019** *(RMB million)*
Net profit before taxation	2,420.6	5,094.3
Net profit after taxation	1,098.2	2,700.0
Net profit after tax attributable to owners of the Target Company	403.5	1,408.9

The audited net asset value of the Target Company (including net asset value attributable to non-controlling interests) as at 30 June 2020 was approximately RMB6.86 billion. For the purposes of determining the initial equity consideration, the parties took into consideration the net asset value of the Target Company (excluding net asset value attributable to non-controlling interests) as at 30 June 2020 which was approximately RMB2.23 billion based on the consolidated management accounts prepared in accordance with IFRS.

The registered capital of the Target Company as at 30 June 2020 is approximately RMB1.95 billion of which approximately RMB1.85 billion has been paid up.

The projects held by the Target Group are located in cities in Guangdong Province, such as Guangzhou, Foshan, Dongguan, Shenzhen, Jiangmen, Zhanjiang, Shantou, Yangjiang, Maoming, Qingyuan and Jieyang. These projects are mainly mixed-use developments intended for commercial, office, residential and carpark use. As at 30 June 2020, the estimated combined gross floor area of these projects attributable to the Target Group was 7.12 million square metres, of which 3.54 million square metres were in the Greater Bay Area.

The project companies of the Target Group are principally engaged in real estate development and management, hotel management, leasing, among others.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the members of the Target Group will be consolidated into the financial statements of the Group.

Assets and Liabilities

Pursuant to the unaudited pro forma financial information of the financial position of the Enlarged Group as set out in Appendix III to this circular, assuming the Completion had taken place on 30 June 2020, the unaudited pro forma consolidated total assets and total liabilities of the Enlarged Group would be approximately RMB168.09 billion and RMB148.03 billion, respectively.

Profits

Pursuant to the unaudited pro forma financial information of financial performance of the Enlarged Group as set out in Appendix III to this circular, assuming the Completion had taken place on 1 January 2019, the unaudited pro forma consolidated profits after tax of the Enlarged Group for the year ended 31 December 2019 would be approximately RMB5.69 billion. The profit attributable to the owners of the Enlarged Group for the year ended 31 December 2019 would be approximately RMB3.86 billion.

For further details on the financial effects of the Equity Transfer Agreement, please refer to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is principally engaged in: (i) the development and sales of properties; and (ii) property management. As disclosed in the 2019 annual report of the Company, it is a strategy of the Company to identify land in prime areas of major cities in the Pan-Pearl River Delta for property development and investment in order to increase its land reserve and further promote development of the Company. To this end, the Company has acquired land plots in the Pan-Pearl River Delta through acquisitions and land bids. As at 30 June 2020, the Company had two property projects in the Greater Bay Area in Guangdong Province, with an estimated combined gross floor area attributable to the Company amounted to approximately 1.58 million square metres.

As mentioned above under the section headed "Information on the Parties – the Target Company", as of 30 June 2020 the Target Group held 35 properties in Guangdong Province, of which 29 properties were in the Greater Bay Area. According to National Bureau of the Statistics of the PRC, the amount of investment in property development in Guangdong Province for the year of 2019 was RMB1.585 billion, representing an increase of approximately 10.0% over the previous year. Such increase in investment reflects market confidence in the prospects of the property market in Guangdong Province.

On 18 February 2019, the Central Committee of the Communist Party of China and the State Council released the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. The Greater Bay Area represents China's economic blueprint to link Hong Kong and Macau with nine cities in the Pearl River Delta and turn them into a new financial and business hub. Pursuant to the Equity Transfer Agreement, the Vendors agreed that upon Completion, the Group will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong Province.

The Board considers the Acquisition to be consistent with the strategy of the Group, namely, to: (i) embrace the PRC Government's Greater Bay Area policy, with a firm commitment to become a high-growth property developer in the PRC; (ii) focus on the major cities in the Pan-Pearl River Delta with investment value and growth potentials, and positioning at the middle to high-end product ranges; and (iii) build up and maintain a quality land bank. The "Outline Development Plan" released by PRC Government is a blueprint to further integrate Hong Kong, Macau, and nine cities in Guangdong into a world class city cluster with a population over 70 million people. Mega urban transport infrastructures such as Hong Kong-Zhuhai-Macau Bridge in the Greater Bay Area will promote inter-regional interactions and connectivity and improve the flow of personnel and capital in the region. The integration will improve the business environment of the city cluster in the future. The Directors believe that the attraction of the Greater Bay Area to entrepreneurs, start-ups, and talents will further drive up the population in the Greater Bay area, thereby creating a strong demand of properties in the area. The Board is of the view that the Acquisition is a rare opportunity to acquire a sizable property portfolio in the Greater Bay Area, enter first-, second- and third-tiers cities with investment value and growth potential in the PRC, and reinforce the Group's position as a leading property developer in Pan-Pearl River Delta. The Acquisition will also broaden the revenue base of the Group.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the Equity Transfer Agreement except Mr. Chen Jun, Mr. Wu Zheugkui and Mr. Hou Guangjun, who have conflict of interest. Other Directors have unanimously approved the Equity Sale and Purchase Agreement (except Mr. Chen Jun, Mr. Wu Zheugkui and Mr. Hou Guangjun, who have conflict of interest and have abstained from voting).

EXISTING CONTINUING TRANSACTIONS

As mentioned in the Announcement, certain members of the Target Group and the Greenland Group are currently carrying out certain continuing transactions under the Landscape Agreements, the Construction Agreements and the Procurement Agreements. In addition, as at 30 June 2020, the Greenland Group owed the Target Group loans of approximately RMB6.07 billion, and the Target Group owed the Greenland Group loans and dividend payable of approximately RMB9.69 billion. As at 31 October 2020, the Greenland Group owed the Target Group loans of approximately RMB5.78 billion, and the Target Group owed the Greenland Group loans and dividend payable of approximately RMB9.63 billion. The Greenland Group also provides guarantees for the loans of the Target Group amounting to approximately RMB3.29 billion as at 31 October 2020. It is expected that the Greenland Group and the Target Group will continue to owe each other a certain amount upon Completion. The transactions above shall together be referred to as the "Continuing Transactions".

(1) Landscape Agreements

As at 31 October 2020, members of the Target Group have entered into certain Landscape Agreements with members of the Greenland Group, pursuant to which such members of the Greenland Group undertake the Landscape Greening Works for the Target Group, all of which are expected to complete by 31 December 2021. The term of each Landscape Agreement is based on the development progress of the relevant underlying projects. The Landscape Greening Works involves the undertaking of greening works and landscape construction works (including, but not limited to, building pools, floors and sculptures, etc.). The total contract sum of the Landscape Agreements is approximately RMB0.22 billion.

(2) Construction Agreements

As at 31 October 2020, members of the Target Group have entered into certain Construction Agreements with members of the Greenland Group, pursuant to which such members of the Greenland Group provide the Target Group with civil engineering works, electrical, windows and plumbing and drainage installation works, outdoor engineering works and interior works in accordance with the relevant construction drawings, design modification and instructions. Such Construction Agreements are expected to complete by 31 March 2022. The term of each Construction Agreement is based on the development progress of the relevant underlying projects. The total contract sum of the Construction Agreements is approximately RMB2.91 billion.

(3) Procurement Agreements

As at 31 October 2020, certain members of the Target Group have entered into certain Procurement Agreements with Quanjing, pursuant to which Quanjing supplies the relevant members of the Target Group with windows, window blinds and roof tiles for installation in the relevant projects. Such Procurement Agreements have been completed and pending payment in full. The term of each Procurement Agreement is based on the development progress of the relevant underlying projects. The total contract sum of the Procurement Agreements is approximately RMB9.63 million.

(4) Amount owed by and owed to the Greenland Group

As at 30 June 2020, the Greenland Group owed the Target Group loans of approximately RMB6.07 billion and the Target Group owed the Greenland Group loans and dividend payable of approximately RMB9.69 billion. The Greenland Group also provides guarantees for the loans of the Target Group amounting to approximately RMB3.29 billion as at 31 October 2020. It is expected that on Completion, the Greenland Group will continue to owe the Target Group, and the Target Group will continue to owe the Greenland Group a certain amount. As the Target Group will be consolidated into the Group upon Completion and members of the Greenland Group are connected persons of the Company, the amount owed by the Greenland Group to the Target Group will constitute provision of financial assistance from subsidiaries of the Company to connected persons, and the amount owed by the Target Group to the Greenland Group will constitute financial assistance received by subsidiaries of the Company from connected persons, and thus connected transactions of the Company under the Listing Rules.

It is expected that the Final Instalment will be paid within 12 months following the date on which the Acquisition is approved at the EGM. Upon payment of the Final Instalment, the amounts owed by and owed to the Greenland Group will be settled completely.

LISTING RULES IMPLICATIONS

The Acquisition

As the highest applicable percentage ratio under the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Vendors are both wholly-owned subsidiaries of Greenland Holdings, the ultimate controlling shareholder of the Company which holds approximately 59.11% of the issued ordinary share capital of the Company. The Vendors are thus connected persons of the Company under the Listing Rules. As the highest applicable percentage ratio for the Acquisition exceeds 5%, the Acquisition constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Existing Connected Transactions

Upon Completion, the Continuing Transactions between the Greenland Group and the Target Group will become connected transactions and/or continuing connected transactions of the Company and are expected to continue in accordance with the terms thereof.

Pursuant to Rule 14A.60(1) of the Listing Rules, save for the loans and dividend payable owed by the Target Group to the Greenland Group, and the guarantees provided by the Greenland Group for the benefit of the Target Group, the Company shall comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules as the Company will continue to conduct the Continuing Transactions after Completion.

In relation to the loans and dividend payable owed by the Target Group to the Greenland Group, and the guarantees provided by the Greenland Group for the benefit of the Target Group, as they were conducted on normal commercial terms or better and not secured by any assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, they are exempt from independent shareholders' approval, annual review and all disclosures requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders in relation to, among other things, the Acquisition and to advise the Independent Shareholders on how to vote (to the extent applicable), taking into account the recommendation of the independent financial adviser.

The Company has appointed Octal Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to, among other things, the Acquisition.

The text of the letter from the Independent Board Committee is set out on pages 23 to 24 of this circular, and the text of the letter from the Independent Financial Adviser is set out on pages 25 to 56 of this circular.

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. An ordinary resolution will be proposed at the EGM to seek Shareholders' approval of the Equity Transfer Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Controlling Shareholder controls over the voting rights in respect of 1,650,244,409 Shares, representing approximately 59.11% of the entire issued ordinary share capital of the Company. Save for the Controlling Shareholder, none of Greenland Holdings and its close associates control or are entitled to exercise control over the voting rights in respect of any Shares. There are no voting trusts or other agreements or arrangements or understandings or obligations or entitlements whereby the Controlling Shareholder has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis. Greenland Holdings, the Controlling Shareholder and their respective close associates will be required to abstain from voting on the shareholders' resolutions in relation to the Equity Transfer Agreement and the transactions contemplated thereunder.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder has any material interest in the Acquisition, and therefore no other Shareholder is required to abstain from voting on the relevant resolution approving the Equity Transfer Agreement and transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, Mr. Chen Jun, Mr. Wu Zhengkui and Mr. Hou Guangjun did not hold any shares in the Company.

For the purpose of determining shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed on 10 December 2020, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers, accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 9 December 2020.

A form of proxy for appointing proxy is despatched with this circular and published on the websites of HKEXnews (http://www.hkexnews.hk) and the Company (http://www.greenlandhk.com). Whether or not you intend to attend the EGM or any adjournment thereof via e-Meeting System (as the case may be), please complete and return the enclosed form of proxy in accordance with the instructions printed on the form of proxy as soon as practicable, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be), to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at

Level 54, Hopewell Centre, 183 Queen's Road East Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment meeting via e-Meeting System (as the case may be) if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions proposed to be approved at the EGM will be taken by poll and an announcement for the results of the EGM will be made by the Company after the EGM.

RECOMMENDATION

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) considers that the terms of the Equity Transfer Agreement are fair and reasonable, and that the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) recommends the Independent Shareholders to vote in favour of the resolutions in relation to the Equity Transfer Agreement to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman and Chief Executive Officer

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

25 November 2020

To the Independent Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION (2) CONTINUING CONNECTED TRANSACTIONS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular dated 25 November 2020 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of each of the Equity Transfer Agreement are fair and reasonable, and whether the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the Independent Financial Adviser appointed to advise us.

Octal Capital has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in the above-mentioned context. Your attention is drawn to the "Letter from the Board" and the "Letter from the Independent Financial Adviser" in the Circular, which contain, among other things, information about the Equity Transfer Agreement and the advice from Octal Capital in respect of the transactions contemplated under the Equity Transfer Agreement.

Having taking into account the reasons for and benefits of the transactions contemplated under the Equity Transfer Agreement, the principal factors and reasons considered by Octal Capital in arriving at its opinion regarding such transactions as set out in the "Letter from the Independent Financial Adviser" on pages 25 to 56 of the Circular, we consider that the terms of the Equity Transfer Agreement are fair and reasonable, and that the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions as set out in the notice of EGM to be held on Thursday, 10 December 2020 and thereby approve the transactions contemplated under the Equity Transfer Agreement.

Yours faithfully
For and on behalf of
Independent Board Committee

Fong Wo, Felix, JP	**Kwan Kai Cheong**	**Dr. Lam, Lee G.**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the letter of advice from Octal Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

八方金融有限公司
OCTAL Capital Limited

801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

25 November 2020

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company (together with its subsidiaries, the "**Group**") dated 25 November 2020 (the "**Circular**"), of which this letter forms a part. Capitalized terms used in this letter shall have the same meaning as those defined in the Circular unless the context otherwise requires.

As set out in the Letter from the Board, on 12 October 2020, the Purchaser and the Vendors entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the entire equity interest in the Target Company. The Consideration shall comprise (i) an Equity Consideration of RMB3.64 billion (subject to adjustment); and (ii) an amount equal to the Net Debt. As at 30 June 2020, the Net Debt based on the consolidated management accounts of the Target Group prepared in accordance with IFRS was approximately RMB3.62 billion. As such, based on the Net Debt as at 30 June 2020, the Consideration is approximately RMB7.26 billion.

As at the Latest Practicable Date, the Vendors are both wholly-owned subsidiaries of Greenland Holdings, the ultimate controlling shareholder of the Company which holds approximately 59.11% of the issued ordinary share capital of the Company. The Vendors are thus connected persons of the Company under the Listing Rules. As the highest applicable percentage ratio for the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

An independent board committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders in relation to, among other things, the Acquisition and to advise the Independent Shareholders on how to vote (to the extent applicable). The advice of the Independent Board Committee as regards, among other things, the Acquisition is contained in its letter included in the Circular.

We, Octal Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on, among other things, the Acquisition in this regard. We are not connected with the directors, chief executive and substantial shareholders of the Company or Greenland Holdings or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date and therefore is considered suitable to give independent advice to the Independent Shareholders. During the last two years, we were engaged as the independent financial adviser to the Company (the "**Previous Engagements**") in respect of (i) the major and connected transaction in relation to the disposal of 100% equity interest in Nanchang Shenyang (details of which are set out in the circular of the Company dated 30 November 2018); (ii) the connected transaction in relation to appointment of connected persons as contractors for construction works (details of which are set out in the circular of the Company dated 4 June 2019); (iii) the connected transaction in relation to appointment of connected persons as main contractors for construction works (details of which are set out in the circular of the Company dated 7 November 2019); and (iv) the connected transaction in relation to appointment of connected persons as contractors for construction works (details of which are set out in the circular of the Company dated 11 June 2020).

Under the Previous Engagements, we were required to express our opinion on and give recommendation to the independent committee of the Board comprising all the independent non-executive Directors and Independent Shareholders in respect of the relevant transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates. Despite the Previous Engagements, we consider our independence in regard of our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Equity Transfer Agreement, whether the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole (the "**Current Engagement**") unaffected due to the facts that (i) under the Previous Engagements, we were entitled to receive normal professional fees that are comparable to market rates and in line with general market practice; (ii) the transaction type of the Previous Engagements and the Current Engagement varied; (iii) we have discharged our responsibilities with due care and skill and performed our duties with impartiality in respect of each of our engagements with the Company; and (iv) each of the engagements was handled independently as an individual task. Therefore, we consider ourselves eligible to act as the independent financial adviser to the Company under the requirements of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Acquisition including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the management of the Company respectively in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Greenland Holdings and their respective associates, nor have we carried out any independent verification of the information supplied to us.

THE ACQUISITION

Principal factors and reasons considered

In arriving at our opinion in respect of the Equity Transfer Agreement, we have considered the following principal factors and reasons:

1. Information on the Group

1.1. Business of the Group

The Company is an investment holding company incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) the development and sales of properties; and (ii) property management. As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 59.11% of the entire issued share capital of the Company.

1.2. Financial information of the Group

Set out below is a summary of the consolidated financial information of the Group for each of the three financial years (the "**FY**") 2017, 2018 and 2019 and the six months ended 30 June (the "**1H**") 2020 as extracted from the annual reports and interim report of the Company for FY 2017 (the "**2017 Annual Report**"), FY 2018 (the "**2018 Annual Report**"), FY 2019 (the "**2019 Annual Report**"), 1H 2019 (the "**2019 Interim Report**") and 1H 2020 (the "**2020 Interim Report**"):

	FY 2017	**FY 2018**	**FY 2019**	**1H 2019**	**1H 2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Reportable segment revenue					
– Sales of properties and construction management service	14,101,515	14,831,329	16,994,592	5,457,194	6,128,877
– Lease of properties	36,321	51,453	76,337	34,516	48,504
– Hotel and related services	137,361	134,541	133,941	73,673	33,904
– Property management and other services	343,675	426,923	457,266	236,206	189,014
Total revenue	14,618,872	15,444,246	17,662,136	5,801,589	6,400,299
Cost of sales	(11,027,571)	(11,306,122)	(12,207,094)	(3,739,046)	(4,309,236)
Gross profit	3,591,301	4,138,124	5,455,042	2,062,543	2,091,063
Gross profit margin	24.6%	26.8%	30.9%	35.6%	32.7%
Profit for the year/period	1,835,618	1,980,940	3,041,137	879,807	697,486

FY 2018 versus FY 2017

The total revenue of the Group increased by approximately RMB825.4 million or 5.6% from approximately RMB14,618.9 million for FY 2017 to approximately RMB15,444.2 million for FY 2018. As disclosed in the 2018 Annual Report, such increase was mainly attributable to the increase in revenue from sales of properties and construction management service of approximately RMB729.8 million, which accounted for approximately 96.0% of the Group's total revenue for FY 2018. As further disclosed in the 2017 Annual Report and the 2018 Annual Report, the average selling price of the properties sold and delivered in FY 2018 was approximately RMB14,025 per sq.m., representing an increase of approximately 27.1% as compared with FY 2017, but was partly offset by a decline in the gross floor area of properties sold and delivered in FY 2018 of approximately 219,535 sq.m. or 17.6% as compared with FY 2017.

The gross profit of the Group increased from approximately RMB3,591.3 million for FY 2017 to approximately RMB4,138.1 million for FY 2018, while its gross margin increased from approximately 24.6% for FY 2017 to approximately 26.8% for FY 2018, mainly attributable to the increase in average selling price as mentioned above.

As a result of the foregoing, the profit for the year increased from approximately RMB1,835.6 million for FY 2017 to approximately RMB1,980.9 million for FY 2018, representing an increase of approximately RMB145.3 million or 7.9% as compared with FY 2017.

FY 2019 versus FY 2018

The total revenue of the Group increased by approximately RMB2,217.9 million or 14.4% from approximately RMB15,444.2 million for FY 2018 to approximately RMB17,662.1 million for FY 2019. As disclosed in the 2019 Annual Report, such increase was mainly attributable to the increase in revenue from sales of properties and construction management service of approximately RMB2,163.3 million, which accounted for approximately 96.2% of the Group's total revenue for FY 2019. As further disclosed in the 2018 Annual Report and the 2019 Annual Report, the gross floor area of properties sold and delivered was approximately 1,306,112 sq.m. for FY 2019, representing an increase of approximately 278,145 sq.m. as compared with FY 2018, but was partly offset by a decline in the average selling price of approximately RMB1,286 per sq.m. or approximately 9.2% as compared with FY 2018.

The gross profit of the Group increased from approximately RMB4,138.1 million for FY 2018 to approximately RMB5,455.0 million for FY 2019, while its gross margin increased from approximately 26.8% for FY 2018 to approximately 30.9% for FY 2019, mainly attributable to the efficient management over the cost control of the Group.

As a result of the foregoing, the profit for the year increased from approximately RMB1,980.9 million for FY 2018 to approximately RMB3,041.1 million for FY 2019, representing an increase of approximately RMB1,060.2 million or 53.5% as compared with FY 2018.

1H 2019 vs 1H 2020

The total revenue of the Group increased by approximately RMB598.7 million or 10.3% from approximately RMB5,801.6 million for 1H 2019 to approximately RMB6,400.3 million for 1H 2020. As disclosed in the 2020 Interim Report, such increase was mainly attributable to the increase in sales of properties and construction management service of approximately RMB671.7 million, which accounted for approximately 95.8% of the Group's total revenue for 1H 2020. As further disclosed in the 2020 Interim Report, the average selling price of the properties sold and delivered in 1H 2020 was approximately RMB13,212 per sq.m., representing an increase of approximately 14.1% as compared with 1H 2019, but was partly offset by a decline in the gross floor area of properties sold and delivered in 1H 2020 of approximately 4,912 sq.m. or 1.1% as compared with 1H 2019.

The gross profit of the Group increased from approximately RMB2,062.5 million for 1H 2019 to approximately RMB2,091.1 million for 1H 2020, while its gross margin decreased from approximately 35.6% for 1H 2019 to approximately 32.7% for 1H 2020.

As a result of the foregoing, the profit for the period decreased from approximately RMB879.8 million for 1H 2019 to approximately RMB697.5 million for 1H 2020, representing a decrease of approximately RMB182.3 million or 20.7% as compared with 1H 2019 as a result of the decrease in the net gain arising from the changes in fair value of investment properties.

Set out below is the summary of the audited consolidated statement of financial position of the Group as at 31 December 2017, 2018 and 2019 and 30 June 2020 as extracted from the 2017 Annual Report, 2018 Annual Report, 2019 Annual Report and 2020 Interim Report:

	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets	26,996,757	29,320,858	11,042,196	14,077,221
Current assets	41,753,039	60,909,342	88,227,726	94,497,561
Total assets	68,749,796	90,230,200	99,269,922	108,574,782
Non-current liabilities	12,958,482	12,665,261	9,965,682	12,664,878
Current liabilities	44,206,424	63,620,201	72,712,802	79,047,436
Total liabilities	57,164,906	76,285,462	82,678,484	91,712,314
Net current (liabilities)/assets	(2,453,385)	(2,710,859)	15,514,924	15,450,125
Net assets	11,584,890	13,944,738	16,591,438	16,862,468
Equity attributable to owners of the Company	9,859,129	10,462,395	12,458,513	12,471,171
Cash and cash equivalent (including restricted cash)	7,856,722	6,277,208	10,321,280	10,332,955
Total borrowings[Note 1]	17,590,470	18,502,628	13,389,068	16,749,729
Gearing ratio[Note 2]	84.0%	87.7%	18.5%	38.7%

Note:

1. Total borrowings represent interest-bearing loans and bonds

2. Gearing ratio represents total borrowings less cash and cash equivalents (including restricted cash) divided by total equity (i.e. net assets)

As at 31 December 2018, the Group had total assets of approximately RMB90,230.2 million which was comprised of non-current assets of approximately RMB29,320.9 million and current assets of approximately RMB60,909.3 million. The Group's total assets as at 31 December 2018 increased by approximately 31.2% as compared to 31 December 2017 which was mainly attributable to the increase in properties under development mainly due to the increase in number of projects. The total liabilities of the Group increased from approximately RMB57,164.9 million as at 31 December 2017 to approximately RMB76,285.5 million as at 31 December 2018, which was mainly attributable to the increase in contract liabilities due to the increase in contracted sales during FY 2018.

As at 31 December 2019, the Group had total assets of approximately RMB99,269.9 million which was comprised of non-current assets of approximately RMB11,042.2 million and current assets of approximately RMB88,227.7 million. The Group's total assets as at 31 December 2019 increased by approximately 10.0% as compared to 31 December 2018 which was mainly attributable to the increase in properties under development mainly due to the increase in number of projects. The total liabilities of the Group increased from approximately RMB76,285.5 million as at 31 December 2018 to approximately RMB82,678.5 million as at 31 December 2019, which was mainly attributable to the increase in contract liabilities due to the increase in contracted sales during FY 2018.

As at 30 June 2020, the Group had total assets of approximately RMB108,574.8 million which comprised of non-current assets of approximately RMB14,077.2 million and current assets of approximately RMB94,497.6 million. The Group's total assets as at 30 June 2020 increased by approximately 9.4% as compared to 31 December 2019 which was mainly attributable to the increase in investment properties. The total liabilities of the Group increased from approximately RMB82,678.5 million as at 31 December 2019 to approximately RMB91,712.3 million as at 30 June 2020, which was mainly attributable to the increase in interest-bearing loans.

The Group's gearing ratios as at 31 December 2017, 2018 and 2019 and 30 June 2020 were approximately 84.0%, 87.7%, 18.5% and 38.1% respectively. Such increase in gearing ratio as at 30 June 2020 was mainly due to the increase in borrowings for 1H 2020.

2. Information of the Target Group

2.1. Business of the Target Group

The Target Company is a company established in the PRC and is held as to 95% by Greenland Holding Group Company Limited* (綠地控股集團有限公司) and 5% by Greenland Real Estate Group Co. Ltd.* (綠地地產集團有限公司), being the Vendors. The Target Group is primarily engaged in property development. The Target Group comprises the Target Company, 46 subsidiaries, 3 jointly-controlled entities and 6 branch offices. As at 30 June 2020, the Target Group held 35 properties in Guangdong Province, of which 29 properties were in the Greater Bay Area. As at the Latest Practicable Date, as one of these 35 properties, which located in Guangzhou, Guangdong Province, has completed construction, sales and delivery to independent property purchasers, the number of properties held by the Target Group decreased to 34, of which 28 properties were located in the Greater Bay Area.

The projects held by the Target Group are mainly mixed-use developments intended for commercial, office, residential and carpark use. As at 30 June 2020, the estimated combined gross floor area of these projects attributable to the Target Group was approximately 7.12 million sq.m., of which approximately 3.54 million sq.m. were in the Greater Bay Area.

2.2. Financial information of Target Group

The table below sets out selected financial information of the Target Company based on consolidated financial statements for the three years ended 31 December 2019 and the six months ended 30 June 2020.

	FY 2017	FY 2018	FY 2019	1H 2019	1H 2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Types of goods or services					
– Sales of properties	10,234,404	11,050,039	18,879,187	5,382,362	3,675,246
– Leases – rental income	18,837	57,859	62,685	26,867	41,236
– Others	19,529	5,725	38,547	34,233	25,245
Total revenue	10,272,770	11,113,623	18,980,419	5,443,462	3,741,727
Cost of sales	(7,865,316)	(7,863,865)	(13,637,310)	(3,924,233)	(2,437,519)
Gross profit	2,407,454	3,249,758	5,343,109	1,519,229	1,304,208
Gross profit margin	23.4%	29.2%	28.2%	27.9%	34.9%
Profit and total comprehensive income for the year	276,933	1,098,222	2,669,958	991,479	499,722

FY 2018 versus FY 2017

The total revenue of the Target Group increased by approximately RMB840.9 million or 8.2% from approximately RMB10,272.8 million for FY 2017 to approximately RMB11,113.6 million for FY 2018. Such increase was mainly attributable to the increase in sales of properties.

The gross profit of the Target Group increased from approximately RMB2,407.5 million for FY 2017 to approximately RMB3,249.8 million for FY 2018, while its gross margin increased from approximately 23.4% for FY 2017 to approximately 29.2% for FY 2018, mainly attributable to the increase in selling price driven by the booming market.

The profit and total comprehensive income for the year increased from approximately RMB276.9 million for FY 2017 to approximately RMB1,098.2 million for FY 2018, representing an increase of approximately RMB821.3 million or 296.6% as compared with FY 2017. Such increase was mainly attributable to (i) the increase in gross profit as abovementioned; and (ii) the decrease in finance costs as a result of loan settlement.

FY 2019 versus FY 2018

The total revenue of the Target Group increased by approximately RMB7,866.8 million or 70.8% from approximately RMB11,113.6 million for FY 2018 to approximately RMB18,980.4 million for FY 2019. Such increase was mainly attributable to expansion of the scale of the Target Group and significant increase in sales of properties.

The gross profit of the Target Group increased from approximately RMB3,249.8 million for FY 2018 to approximately RMB5,343.1 million for FY 2019, while its gross margin decreased from approximately 29.2% for FY 2018 to approximately 28.2% for FY 2019, mainly attributable to the decrease in selling price over the period as a result of certain cooling measures property market imposed by government.

The profit and total comprehensive income for the year increased from approximately RMB1,098.2 million for FY 2018 to approximately RMB2,670.0 million for FY 2019, representing an increase of approximately RMB1,571.8 million or 143.1% as compared with FY 2018. Such increase was mainly attributable to (i) expansion of the scale of the Target Group and significant increase in sales; (ii) the decrease in selling and marketing costs; and (iii) the decrease in finance costs as a result of the loan settlement.

1H 2020 versus 1H 2019

The total revenue of the Target Group decreased by approximately RMB1,701.7 million or 31.3% from approximately RMB5,443.5 million for 1H 2019 to approximately RMB3,741.7 million for 1H 2020. Such decrease was mainly attributable to the huge impact of COVID-19 pandemic on the economy and the resumption of work after Chinese New Year, which resulted in delay in project construction progress and decline in recent sales increase.

The gross profit of the Target Group decreased from approximately RMB1,519.2 million for 1H 2019 to approximately RMB1,304.2 million for 1H 2020, while its gross margin increased from approximately 27.9% for 1H 2019 to approximately 34.9% for 1H 2020, mainly attributable to the sales generated from a project located in Guangzhou which had higher profit margin and accounted for over 30% of the Target Group's total revenue during 1H 2020.

The profit and total comprehensive income for the year decreased from approximately RMB991.5 million for 1H 2019 to approximately RMB499.7 million for 1H 2020, representing a decrease of approximately RMB491.8 million or 49.6% as compared with 1H 2019. Such decrease was mainly attributable to the COVID-19 pandemic, which resulted in decline in recent sales increase, rise in the price of land, as well as decrease in product profits as a result of costs increased due to a higher number of employees.

Set out below is the summary of the audited consolidated statement of financial position of the Target Group as at 31 December 2017, 2018 and 2019 and 30 June 2020:

	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(audited)
Non-current assets	865,730	1,827,957	3,549,469	3,677,091
Current assets	53,928,503	54,362,169	57,606,754	56,327,719
Total assets	54,794,233	56,190,126	61,156,223	60,004,810
Non-current liabilities	6,975,871	7,664,775	3,493,416	3,714,245
Current liabilities	43,379,878	44,595,732	51,304,862	49,432,898
Total liabilities	50,355,749	52,260,507	54,798,278	53,147,143
Net current assets	10,548,625	9,766,437	6,301,892	6,894,821
Net assets	4,438,484	3,929,619	6,357,945	6,857,667
Equity attributable to owners of the Company	1,794,483	809,101	1,868,003	2,197,549
Cash and cash equivalent (including restricted cash)	7,147,701	6,988,761	5,260,746	4,017,749
Total borrowings[Note1]	14,717,640	11,298,040	7,536,630	7,275,390
Gearing ratio[Note2]	170.6%	109.7%	35.8%	47.5%

Note:

1. Total borrowings represent interest-bearing loans

2. Gearing ratio represents total borrowings less cash and cash equivalents (including restricted cash) divided by total equity (i.e. net assets)

As at 31 December 2018, the Target Group had total assets of approximately RMB56,190.1 million which was comprised of non-current assets of approximately RMB1,828.0 million and current assets of approximately RMB54,362.2 million. The Target Group's total assets as at 31 December 2018 increased by approximately 2.5% as compared to 31 December 2017 which was mainly attributable to the increase in properties under development and completed properties held for sale, partly offset by the decrease in trade and other receivables and advance deposits. The Target Group had total liabilities of approximately RMB52,260.5 million as at 31 December 2018, which was comprised of non-current liabilities of approximately RMB7,664.8 million and current liabilities of approximately RMB44,595.7 million. The Target Group's total liabilities as at 31 December 2018 increased by approximately 3.8% as compared to 31 December 2017 which was mainly attributable to the increase in contract liabilities, partly offset by the decrease in interest-bearing loans.

As at 31 December 2019, the Target Group had total assets of approximately RMB61,156.2 million which was comprised of non-current assets of approximately RMB3,549.5 million and current assets of approximately RMB57,606.8 million. The Target Group's total assets as at 31 December 2019 increased by approximately 8.8% as compared to 31 December 2018 which was mainly attributable to the increase in properties under development and the increase in trade and other receivables and advance deposits, partly offset by the decrease in bank balances and cash. The Target Group had total liabilities of approximately RMB54,798.3 million as at 31 December 2019, which was comprised of non-current liabilities of approximately RMB3,493.4 million and current liabilities of approximately RMB51,304.9 million. The Target Group's total liabilities as at 31 December 2019 increased by approximately 4.9% as compared to 31 December 2018 which was mainly attributable to the increase in trade and other payables, partly offset by the decrease in contract liabilities and interest-bearing loans.

As at 30 June 2020, the Target Group had total assets of approximately RMB60,004.8 million which was comprised of non-current assets of approximately RMB3,677.1 million and current assets of approximately RMB56,327.7 million. The Target Group's total assets as at 30 June 2020 decreased by approximately 1.9% as compared to 31 December 2019 which was mainly attributable to the decrease in completed properties held for sale and bank balances and cash, partly offset by the increase in properties under development and trade and other receivables and advance deposits. The Target Group had total liabilities of approximately RMB53,147.1 million as at 30 June 2020, which was comprised of non-current liabilities of approximately RMB3,714.2 million and current liabilities of approximately RMB49,432.9 million. The Target Group's total liabilities as at 30 June 2020 decreased by approximately 3.0% as compared to 31 December 2019, which was mainly attributable to the decrease in trade and other payables, partly offset by the increase in contract liabilities.

The Target Group's gearing ratios as at 31 December 2017, 2018 and 2019 and 30 June 2020 were approximately 170.6%, 109.7%, 35.8% and 47.5% respectively. Such decreasing trend in gearing ratio from 31 December 2017 to 30 June 2020 was mainly due to the decrease in total borrowings and the increase in equity over the period.

3. Reasons for the Acquisition

As set out in the Letter from the Board, the Board considers the Acquisition to be consistent with the strategy of the Group, namely, to: (i) embrace the PRC Government's Greater Bay Area policy, with a firm commitment to become a high-growth property developer in the PRC; (ii) focus on the major cities in the Pan-Pearl River Delta with investment value and growth potentials, and positioning at the middle to high-end product ranges; and (iii) build up and maintain a quality land bank. Pursuant to the Equity Transfer Agreement, the Vendors agreed that upon Completion, the Group will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong Province. The Board is of the view that the Acquisition is a rare opportunity to acquire a sizable property portfolio in the Greater Bay Area, enter first-, second- and Pan-Pearl River Delta with investment value and growth potential in the PRC, and reinforce the Group's position as a leading property developer in Pan-Pearl River Delta in the PRC. The Acquisition will also broaden the revenue base of the Group.

Up to the date of 2020 interim results announcement of the Company dated 27 August 2020, the total land bank of the Group was approximately 22 million sq.m., which was mainly strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta in the PRC. As disclosed in the 2020 Interim Report, the Group will continue to seek additional high-quality land projects with promising potential of development in the future. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results and assets and liabilities of Target Company will be consolidated into the consolidated financial statements of the Company. With respect to the prime land resources located in cities with high development potential, it is expected that the Group will enhance its land portfolio in Pan-Pearl River Delta in the PRC. The Company will own the Target Group's land resources and therefore, the Group's land reserve of total planned gross floor area is expected to increase by approximately 8.3 million sq.m. on whole basis upon Completion.

The Company strives to uplift its market competitiveness and foster high-quality corporate development. It will continuously explore and preserve high-quality land parcels, penetrate the core cities in Pan-Yangtze River Delta and Pan-Pearl River Delta, especially the deployments in the Greater Bay Area. Over the past few years, the Group has strategically selected and acquired land for future development to sustain its continued growth. The Company typically acquires most of its lands through public tenders or auctions, which involve complex and lengthy process and require lots of preliminary preparation works for each of lands, including preparation of tender documents and preforming the relevant cost and construction work analysis. In view of the property portfolio held by the Target Group, including land parcels, properties under development and completed properties held for sale, the Acquisition will provide the

Group with earlier access to those land resources and projects held by the Target Group so as to contribute revenue and profit to the Group in a relatively short period of time when compared to traditional auction or tendering process.

The land resources and projects held by the Target Group are mainly located in the Greater Bay Area. According to the data released by Hong Kong Trade Development Council, the total area and population of the Greater Bay Area are approximately 56,000 km^2 and approximately 71.2 million respectively. The Greater Bay Area is supported by a comprehensive transportation system comprising high speed inter-city railways, high speed ferry, expressways and airports. With the opening of the Hong Kong-Zhuhai-Macao Bridge in October 2018, a ring road has been formed around the Zhuhai, Hong Kong and Macao. The Greater Bay Area plans to further develop its infrastructure with new urban internal rail transit, inter-city connections and aviation facilities, a one-hour living circle within the Greater Bay Area can be achieved, thus attracting more population flow and boosting the housing demand within the Greater Bay Area. According to the Approval on the Guangdong-Hong Kong-Macau Greater Bay Area Intercity Railway Construction Plan (《已批覆粵港澳大灣區城際鐵路建設規劃》) issued by National Development and Reform Commission on 17 August 2020, the intercity railway construction plan has been approved, which will contain a multi-level railway network with high-speed railway, normal-speed railway, and suburban railway in the Greater Bay Area. It is estimated that 13 intercity railways and 5 transportation hub projects will be implemented in the near future.

As set out in the list of properties (the "**Properties**") in the valuation report (the "**Valuation Report**") as set out in Appendix VI to the Circular, the appraised value of the properties located in Guangdong province in the PRC, in which the majority of the Properties are located in Guangzhou and Foshan, representing approximately 39.3% and 19.7% of the valuation of the Properties respectively. According to National Bureau of Statistics of China, the growth of GDP for 2019 of Guangdong province was approximately 6.2% while that of Guangzhou and Foshan, were approximately 6.8% and 6.9% respectively, outperforming the GDP of Guangdong province. Guangzhou and Foshan, being the major cities in the Greater Bay Area, will continue to benefit from the economic growth of the Greater Bay Area and the overall real estate investment in the Greater Bay Area is expected to continue to grow fast in the future. In February 2019, the PRC government issued the Outline Development Plan, pursuant to which the economic scale of the Greater Bay Area is expected to further enlarge and develop quality living circle, including promoting cooperation and development in education, and talent pool, to attract talents and professionals from Hong Kong and Macao to work in the Greater Bay Area which will in turn increase the demand for middle to high-end residential housing in the region. Moreover, according to the Work Report for Two Sessions (兩會工作報告*) (the "**Work Report**") published at the official website of PRC government (http://www.gov.cn) in March 2019, the PRC government will accelerate the construction plan of the Greater Bay Area, promote the convergence of rules and facilitate personnel exchanges among the cities in the region.

The PRC real estate market is subject to government regulations. Over the past few years, in order to avoid over-heating of the PRC real estate market, the PRC government has issued various restrictive measures to stabilize property prices, including increase in minimum down-payment for mortgage loans, tightening home purchase restrictions and capital gains tax on residential property re-sales. Aiming to stabilise land prices, housing prices and market expectations, the PRC government policies continues to guide the steady growth of the real estate industry, in particular, the PRC government implemented relaxation on property purchase price restrictions in several major cities, including Guangzhou, Beijing, Foshan and Fuyang, as cooling measures in 2019 to enhance demand. According to the Work Report, the PRC government plans to further promote urbanization and maintain the continuity and stability of the real estate market regulation policy. Moreover, following the release of The Key Tasks of New Urbanization Construction in 2019 by National Development and Reform Commission of the PRC in April 2019, the "settled in" restrictions of cities with permanent population between 1 to 3 million will be removed, whereas the same restrictions of cities with permanent population between 3 to 5 million will be relaxed. Over the years, the real estate control policy has become increasingly effective and tailored to local specific conditions of different cities. Taking into account the economic uncertainty as a result of the Sino-US trade war and the COVID-19 pandemic, it is expected that real estate control policy in the PRC will be stable, and targeted policies for specific cities will remain the fundamentals of real estate regulation.

In view of the abovementioned, in particular, (i) the growth potential of the Target Group's land resources; (ii) revenue and profit contribution to the Group in a relatively short period of time when compared to traditional auction or bidding process; (iii) the development potential of the Greater Bay Area; and (iv) the expected stable real estate control policy, the Directors consider the Acquisition to be commercially reasonable and appropriate, we concur with the view of the Directors that such approach is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

4. Principal terms of the Equity Transfer Agreement

4.1. Consideration

The Consideration shall comprise (i) the Equity Consideration of RMB3.64 billion (subject to adjustment); and (ii) an amount equal to the Net Debt. As at 30 June 2020, the Net Debt based on the consolidated management accounts of the Target Group prepared in accordance with IFRS was approximately RMB3.62 billion. As such, based on the Net Debt as at 30 June 2020, the Consideration is approximately RMB7.26 billion.

The initial equity consideration was arrived at after arm's length negotiations between the Vendors and the Purchasers, taking into account, amongst other things: (a) the strategic addition of sizeable land bank held by the Target Group in the growing Greater Bay Area; (b) the positive prospects of real estate in the Greater Bay Area in the long run; and (c) the adjusted net asset value of the Target Group attributable to the Vendors as at 30 June 2020 in the amount of RMB3.64 billion. The adjusted net asset value of the Target Group attributable to Vendors was determined based on (i) the net asset value of the Target Group attributable to the Vendors in the amount of approximately RMB2.23 billion based on the consolidated management accounts of the Target Group as at 30 June 2020 prepared in accordance with IFRS (which includes prepayments for land of approximately RMB0.51 billion that has been included in the Target Group's land bank but pending issuance of land use rights certificate), (ii) the revaluation surplus of approximately RMB3.84 billion based on a valuation letter of the Properties prepared by an independent valuer (with the unpaid land premium of RMB1.36 billion deducted) and which valuation the Directors believe to be fair and reasonable, less the estimated deferred tax (land appreciation tax and enterprise income tax) of approximately RMB2.43 billion.

The Equity Consideration shall be adjusted based on the Completion Accounts using the same principle in the determination of adjusted net asset value attributable to the Vendors. The valuation of the Properties of the Target Group as at the Completion Date shall be calculated based on the valuation as at 30 June 2020 (the "**Valuation**") and factoring in the development costs incurred and properties delivered between 30 June 2020 and the Completion Date. The excess or shortfall compared to the adjusted net asset value of the Target Group attributable to the Vendors as at 30 June 2020 will be paid to the Vendors by the Purchaser or deducted by the Purchaser from the Equity Consideration (as the case may be).

The the final Net Debt shall be as shown in the Completion Accounts.

The Consideration will be settled by the Company using its internal resources.

We note that in arriving the Consideration, the Company and the Vendors have taken into account revaluation surplus based on the Valuation, certain deferred taxes, land appreciation tax and enterprise income tax, and prepayments for land that has been included in the Target Group's land bank but pending issuance of land use rights certificate and unpaid land premium (the "**Consideration Adjustments**"), in relation to the Properties held by the Target Group.

For the revaluation surplus, we understand that it was determined based on the difference between the appraised value and the book value of the Properties. Given the revaluation surplus aims to reflect the fair value of the Properties, we concur with the Directors that it is reasonable to add the revaluation surplus in arriving at the Consideration.

For the certain deferred taxes, land appreciation tax and enterprise income tax, we note that they were prepared by the Company and reviewed by the reporting accountants. We understand that they will be payable upon the sale of those property assets of the Target Group in the event the Valuation is to be reached, which has been arrived at based on the prevailing applicable tax rates in the PRC. Given that such amount of estimated taxes that will be payable in the event that the Properties were sold at the price equivalent to the Valuation, we concur with the Directors that it is prudent to deduct such amount of estimated tax in arriving at the Consideration.

For the prepayments for land and unpaid land premium, we understand that the prepayments were made by the Vendors for acquisition of relevant lands while the relevant land certificates were not available, and the unpaid land premium payable to the relevant government departments in relation to acquisition of relevant lands. Given that the prepayments for land and unpaid land premium were off-balance sheet items which have not been reflected in the net asset value of the Target Company attributable to the Vendors, we concur with the Directors that it is reasonable to adjust those amounts in arriving at the Consideration.

Based on above, we consider that the Equity Consideration making reference to the net asset value of the Target Company attributable to the Vendors, the revaluation surplus and the Consideration Adjustments is fair and reasonable.

The Net Debt represents the shareholder's loan owing from the Target Group to the Vendors. Pursuant to the terms of the Equity Transfer Agreement, upon Completion, the Net Debt will be assigned by the Vendors to the Purchaser. In light of that the Net Debt was determined with reference to the amount of loans and dividend payable owed by the Target Group to the Greenland Group as at Completion Date after setoff of loans owed by the Greenland Group to the Target Group, which was considered at its face value on a dollar-to-dollar basis, we are of the view that the basis of the Net Debt is fair and reasonable.

For the purpose of further assessing the fairness and reasonableness of the Consideration, the following analyses are taken into consideration:

(i) The valuation of the Properties held by the Target Group

In assessing the fairness and reasonableness of the Consideration, we have considered and reviewed, among others, the Valuation of the Properties as detailed in the Valuation Report as set out in Appendix VI to the Circular and discussed with the Valuer regarding the methodology of and the principal bases and assumptions adopted for the Valuation.

As part of our due diligence, we have assessed the qualification and experience of Mr. Philip C Y Tsang, a valuation director of the Valuer who has over 27 years' experiences in professional property valuation and advisory services in the PRC, who is the responsible person of the Valuer for its engagement as the independent professional valuer for the Properties held by the Target Group. Based on the background information provided by the Valuer, we understand that Mr. Philip C Y Tsang is a Member of HKIS and a Registered Professional Surveyor (General Practice) and participated in appraisal work for multiple large-scale listed investment portfolios in Hong Kong and the PRC. Hence, we are of the view that the Valuer and Mr. Philip C Y Tsang possess sufficient experience in performing the Valuation.

The Valuer also confirmed that it is independent from the Company and all relevant material information provided by the Company had been incorporated in the Valuation Report and there were no other material relevant information or representations relating to the properties provided or made by the Company to the Valuer not having been included in the Valuation. We also understand from the Valuer that it has carried out on-site inspections and made relevant enquiries and searches for the purpose of the Valuation and no irregularities were noted during the course of the Valuation. In addition, we reviewed the terms of the Valuer's engagement and noted that the scope of work is appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might have an adverse impact on the degree of assurance given by the Valuation Report.

Based on the Valuation Report, we understand that market comparison method is a commonly used method for the Properties held for sale or development, there are relevant comparable sales evidence for reference to arrive at the market value. Market comparison method rests on the wide acceptance of the market evidence as the best indicator that can be extrapolated to similar properties, subject to allowances for variable factors. On the other hand, investment method is appropriate for valuation of the Properties with tenancy terms and conditions. Investment method estimates the values of the Properties on a market basis by capitalising the existing rental of all lettable units of each of the Properties for the respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. We understand the Valuer mainly adopted market comparison method and investment method in valuing the Properties of the Target Group, and did not adopt other method like discounted cash flow method. As advised by the Valuer, the market comparison method and investment method in the valuation of the Properties are fully in line with the relevant valuation and market standards for valuing the properties in the PRC and the discounted cash flow method requires adoption of numerous assumptions which are valid only under specific and limited circumstance that are not suitable in respect of the nature of the Properties. We concur with the Valuer that the use of market comparison method and investment method is in line with the market practice. The Valuer has adopted either market comparison method or investment method based on the different nature of Properties.

For the property interests which are held by the Target Group for sale, we noted that it is valued by market comparison method assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. Appropriate adjustments and analysis are considered given the differences in location, accessibility, size and other relevant factors between the comparable properties and the Properties.

For the property interests which are held for investment by the Target Group, we noted that it is valued by investment method by taking into account the net rental income of property interests derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the fair value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market by using market comparison method.

For the property interests which are currently under development and for development, we noted that the Valuer has assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Target Group. In arriving at the appraised values, the Valuer has adopted the market comparison approach by making reference to comparable sales evidence as available in the relevant market and has also taken into account the accrued construction cost and professional fees relevant to the stage of construction as of the valuation date and the remainder of the cost and fees expected to be incurred for completing the development.

We noted that the Valuation has been made on the assumptions that (i) the owner has 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; (ii) no allowance has been made in the Valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale; and (iii) the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value. We understand that the Valuer has considered the legal opinion in relation to the Properties attributable by the Target Group during the preparation of the Valuation Report. Based on the legal opinion, we understand that the Target Group has enforceable title to the Properties based on its attributable interests in the Properties.

Furthermore, we have reviewed the list of comparables identified by the Valuer for each of the Properties. We discussed with the Valuer and noted that the selection criteria of the comparables including but not limited to location, accessibility, size and other relevant factors. We further noted that (i) the location of the comparables are in the same district of the relevant Properties; (ii) the comparables are conducted in 2020; and (iii) the information of the comparables are sourced from its in-house database. We also understand from the Valuer that some relevant adjustments have been made, including size, location, and timing difference between the transaction date of the comparables and the valuation date to account for the differences between the Properties and the comparables.

After considering the reasons for adopting the above valuation methodologies and assumptions for valuing the Properties by the Valuer, we are of the opinion that the valuation methodologies and the basis and assumptions used are reasonable and acceptable in establishing the market values of the properties held by the Target Group. Therefore, we did not cross-check the valuation of the Properties using other methodologies. Nevertheless, we have further assessed the fairness and reasonableness of the Consideration by using transaction comparables and industry comparables based on the Valuation in order to justify the Consideration in different perspectives. For details of the above further analysis, please refer to the paragraphs headed "(ii) Analysis of transaction comparables" and "(iii) Analysis of industry comparables" in this letter.

We understand that the Valuer has attributed no commercial value to the Properties which are held pending for title certificate by the Target Group as the land use rights certificate of the Properties or appropriate approval have not been obtained. Instead, the Valuer has provided a hypothetical value for reference by market comparison method assuming the Target Group had obtained the State-owned land use rights certificate or appropriate approval, and been entitled to transfer the Properties and all land premium or other onerous payment had been fully settled to the government. Based on discussion with the management of Group, we understand that the Consideration has been taken into account the properties without land use rights certificates, on the basis that (i) the Group has conducted investigations on those properties without land use rights certificates and considered that after repaying the unpaid land premium to the government, the Target Group will obtain the land use rights certificate for the relevant properties; (ii) the Consideration has been downward adjusted by unpaid land premium; and (iii) there is a clause in the Equity Transfer Agreement requiring the Vendors to guarantee that if the Target Group is unable to obtain the ownership certificate of the relevant land and causes losses to the Purchaser, the Vendors should take remedial measures and compensate the Purchaser for the relevant losses. Based on our discussion with the management of the Company and the PRC legal adviser, we understand that the Vendors will endeavour to assist the Purchaser to obtain those ownership certificates. In case the relevant ownership certificates cannot be obtained, the Vendors will compensate the actual losses incurred by the Purchaser when the Purchaser provides relevant written evidence. Moreover, the Vendors are both wholly-owned subsidiaries of Greenland Holdings, the ultimate controlling shareholder of the Company and listed on the Shanghai Stock Exchange with market capitalisation of approximately RMB76.1 billion as at the Latest Practicable Date. Taking into account (i) the above compensation mechanism; (ii) the shareholding relationship between Greenland Holdings and the Group; and (iii) the size and scale of Greenland Holdings, we concur with the Directors that the Vendor will honour its obligation and consider that the abovementioned clause in the Equity Transfer Agreement including the compensation mechanism can protect the Group's rights and interests in the relevant land title matters.

(ii) Analysis of transaction comparables

As the Target Group is principally engaged in property development, it is common to assess the adjusted net asset value of the Target Group against the relevant consideration for acquisition or disposal of asset based companies. Given the Acquisition constitutes a very substantial acquisition for the Company, we attempted to perform such analysis by comparing other similar very substantial acquisitions of similar nature made by companies listed on of the Stock Exchange. Our selection criteria are acquisitions that (i) involved acquisition of property projects situated in the PRC; (ii) the consideration for which was arrived at with reference to the adjusted net asset value of the target company or target group after taking into relevant revaluation surplus; and (iii) the gross consideration was above RMB1,000 million. Based on our research on the website of the Stock Exchange, we found 30 circulars of very substantial acquisitions during the past twelve months and up to the Last Trading Day but these transactions does not fit in the said selection criteria. In order to obtain sufficient samples for comparison, we have thus extended the selection period to 36 months period prior to the Last Trading Day, being from 1 October 2017 up to the Last Trading Day, being approximately 36 months, and we have identified four very substantial acquisitions (the "**Transaction Comparable(s)**") out of a total of 122 very substantial acquisitions, for our comparison purpose. Taking into account the transaction type of the Acquisition being constituted a very substantial acquisition of the Company and the Consideration being over RMB1,000 million, we consider that the above selection criteria is fair and reasonable and therefore the analysis of the Transaction Comparables is appropriate for the purpose of considering whether the Consideration is fair and reasonable by comparing to the Transaction Comparables as it allows the Shareholders to appraise whether, on a relative basis, the consideration is at reasonable discounts compared to the Transaction Comparables.

For the purpose of arriving at a meaningful comparison between the Acquisition and the Transaction Comparables, we are of the view that the adjusted net asset value of the Target Group as at 30 June 2020 (the "**Adjusted NAV**") should be based on (i) the audited consolidated net asset value attributable to the Vendors of the Target Group as at 30 June 2020 (the "**Unadjusted NAV**"); (ii) the revaluation surplus of the Target Group with reference to the excess of market value of the Properties attributable to the Vendors of the Target Group as at 30 June 2020 over their book values attributable to the Vendors of the Target Group as at 30 June 2020 per management account prepared in accordance with IFRS after netting off the unpaid land premium attributable to the Vendors of the Target Group as at 30 June 2020 (the "**Revaluation Surplus**"). Set out below is the calculation of the Adjusted NAV:

	RMB billion	*HK$ billion* *Note*
Unadjusted NAV	2.20	2.44
Add: Revaluation Surplus	3.84	4.27
Adjusted NAV	6.04	6.71

Note:

For the purposes of above calculation, an exchange rate of HK$1.00 = RMB0.90 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in HK$ or RMB has been, could have been or may be converted at such rate.

To the best of our knowledge, the Transaction Comparables below represent all comparable very substantial acquisitions involving the acquisition of the property projects based on our selection criteria described above. We summarize details of the Transaction Comparables in the following table:

Date of circular	Company name (Stock code)	Location of the property projects	Consideration *RMB ('million)*	Net asset value *RMB ('million)*	Discount to the adjusted net asset value *(%)*
26/12/2018	China Sandi Holdings Limited (910.hk)	Shanghai, Fujian Province, Shaanxi Province and Jilin Province, the PRC	1,500	1,524 *Note 1*	1.6
20/7/2018	GR Properties Limited (108.hk)	Beijing, the PRC	1,387	1,387 *Note 2*	0.0
29/1/2018	Hoifu Energy Group Limited (7.hk)	Guangdong Province, the PRC	1,100	1,100 *Note 3*	0.0
8/12/2017	Yida China Holdings Limited (3639.hk)	Liaoning Province, the PRC	4,945 *Note 4*	6,691 *Note 5*	26.1
				Maximum	26.1
				Minimum	0.0
				Average	6.9
				Median	0.8
	Target Company	Guangdong Province, the PRC	3,640 *Note 6*	6,040 *Note 7*	39.7
	Target Company	Guangdong Province, the PRC	7,260 *Note 8*	9,660 *Note 9*	24.8

Source: Stock Exchange

Notes:

1. The adjusted net asset value of the China Sandi Holdings Limited's transaction represents the net asset value of the subject target group after reorganisation

2. The adjusted net asset value of the GR Properties Limited's transaction represents the preliminary valuation of the subject property

3. The adjusted net asset value of the Hoifu Energy Group Limited's transaction represents the preliminary valuation of the net asset value of the target group and the sale loan

4. The consideration of the Yida China Holdings Limited's transaction represents the sum of cash consideration, promissory notes, consideration payable included in other payables, reclassification of pre-existing investment in an associate and gain on re-measurement of existing interest in an associate to acquisition date fair value

5. The adjusted net asset value of the Yida China Holdings Limited's transaction represents the sum of pro forma assumed fair value of the identifiable net assets of the target group and fair value of shareholder's loans acquired

6. The consideration of the Target Company of approximately RMB3,640 million represents the Equity Consideration

7. The adjusted net asset value of the Target Company of approximately RMB6,040 million represents the Adjusted NAV

8. The consideration of the Target Company of approximately RMB7,260 million represents the Consideration, including the Equity Consideration and the Net Debt based on the adjusted consolidated management accounts of the Target Group as at 30 June 2020

9. The adjusted net asset value of the Target Company of approximately RMB9,660 million represents the sum of Adjusted NAV and the Net Debt based on the adjusted consolidated management accounts of the Target Group as at 30 June 2020

10. For the purpose of this table, conversion of RMB into HK$ in relation to the respective financial figures of the Comparable Companies and the Target Group denominated in RMB (if applicable and if any) is calculated at the approximate exchange rate of HK$1 to RMB0.9. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all

Based on the analysis of the Transaction Comparables set out in the table above, we note that the discount of consideration for all the Transaction Comparables to its adjusted net asset value of their respective target companies range from approximately 0% to 26.1% and represent an average of approximately 6.9% and a median of approximately 0.8%.

Based on the Equity Consideration, the implied discount of the Equity Consideration to the Adjusted NAV is approximately 39.7%, lies below the range of discount of the Transaction Comparables. On the other hand, based on the Consideration, including the Equity Consideration and the Net Debt based on the adjusted consolidated management accounts of the Target Group as at 30 June 2020, the implied discount of the Consideration to the sum of the Adjusted NAV and the Net Debt as at 30 June 2020 is approximately 24.8%, lies within the range of the discount of the Transaction Comparables and at a greater discount than the average and median of discount of the Transaction Comparables.

In assessing the reasonableness of the implied discount of the Consideration to the sum of the Adjusted NAV and the Net Debt based on the comparison with the Transaction Comparables, we have considered whether the outbreak of COVID-19 would impact our analysis. According to the recent data published by the National Bureau of Statistics of China on 19 October 2020 (i.e. National Real Estate Development and Sales in the First Nine Months of 2020), in the third quarter of 2020, several key economic indicators (including investment in real estate development, sources of funds for real estate development enterprises and floor space and sales of commercial buildings sold) of the PRC turned from negative to positive, in particular the investment of real estate development recorded a growth of approximately 6.3% over the second quarter this year. The bureau also expected that the PRC economy in the fourth quarter of 2020 will continue to grow as a result of the effective prevention and control of the COVID-19 in place. We consider that such positive growth of economic indicators represents a sign of recovery and continuous reduction in new confirmed cases of the COVID-19 over time shall give further positive momentum to the recovery of the economic growth. Moreover, we understand that the date of the Transaction Comparables were all prior to the outbreak of COVID-19, in which the relevant considerations were mainly determined based on their adjusted net asset value of the target company at the time near to their date of transactions. Taking into account that the PRC economy as well as the real estate sector are on the path of recovery, we are of the view that the outbreak of COVID-19 would not alter our result of the analysis of the Transaction Comparables.

(iii) Analysis of industry comparables

Further to our analysis of Transaction Comparables above, we also perform another analysis against comparable companies of the same industry in property development and investment in the PRC. In view that the earnings of property development companies are likely to fluctuate widely depending on the timing of completion and sales of the property development projects which may lead to possible distortions on the results of a price-to-earnings ratio analysis, we consider the price-to-book ratio (the "**PB Ratio**") analysis is a more appropriate approach to assess the valuation of the properties companies. Taking into account the principal business of the Target Group, locations of the Properties and the Consideration, our selection criteria focuses on companies that (i) are listed on the Main Board of the Stock Exchange (ii) have market capitalisation between HK$5 billion and HK$15 billion while the Consideration of approximately RMB7.26 billion (equivalent to HK$8.07 billion) is roughly in the middle; and (iii) principally engaged in property development in the PRC (with over 50% of their revenue contributed from property development in the PRC). Based on the above selection criteria, we identified a total of 28 comparable companies (the "**Industry Comparables**") for comparison. We summarize details of the Industry

Comparables in the following table:

Company name (Stock code)	Market capitalisation as at Latest Practicable Date *HK$('million)*	Latest published net asset value attributable to owners of company *HK$('million)*	PB Ratio[Note 1]
Tian An China Investments Co. Ltd. (28.HK)	6,678	23,671	0.3
Skyfame Realty (Holdings) Ltd. (59.HK)	7,779	4,064	1.9
Lvgem (China) Real Estate Investment Co. Ltd. (95.HK)	12,383	14,002	0.9
Poly Property Group Co., Ltd. (119.HK)	8,971	32,316	0.3
Cosmopolitan International Holdings Ltd. (120.HK)	8,191	1,675	4.9
Shui On Land Ltd. (272.HK)	8,707	41,811	0.2
The Company (337.HK)	6,728	13,857	0.5
Central China Real Estate Ltd. (832.HK)	12,016	10,666	1.1
Mingfa Group (International) Co. Ltd. (846.HK)	11,517	17,412	0.7
China Merchants Land Ltd. (978.HK)	5,788	9,973	0.6
Road King Infrastructure Ltd. (1098.HK)	7,508	18,325	0.4
C C Land Holdings Ltd. (1224.HK)	7,221	16,935	0.4
Redco Properties Group Ltd. (1622.HK)	11,685	5,979	2.0
China South City Holdings Ltd. (1668.HK)	6,393	34,833	0.2
Fantasia Holdings Group Co., Ltd. (1777.HK)	8,771	15,051	0.6
China Sce Group Holdings Ltd. (1966.HK)	14,440	20,621	0.7
Redsun Properties Group Ltd. (1996.HK)	9,368	15,785	0.6
Dexin China Holdings Co. Ltd. (2019.HK)	7,834	6,058	1.3
Sinic Holdings (Group) Co. Ltd. (2103.HK)	14,673	9,412	1.6
Jy Grandmark Holdings Ltd. (2231.HK)	5,021	3,065	1.6
Jiayuan International Group Ltd. (2768.HK)	12,289	12,405	1.0
Ronshine China Holdings Ltd. (3301.HK)	9,687	18,088	0.5
Sino-Ocean Group Holding Ltd. (3377.HK)	12,186	56,013	0.2
Yida China Holdings Ltd. (3639.HK)	5,530	13,505	0.4
DaFa Properties Group Ltd. (6111.HK)	5,779	3,881	1.5
China Vast Industrial Urban Development Co. Ltd. (6166.HK)	5,201	6,618	0.8
Ganglong China Property Group Ltd. (6968.HK)	7,452	1,906	3.9
Huijing Holdings Co. Ltd. (9968.HK)	10,718	3,380	3.2
		Maximum	4.9
		Minimum	0.2
		Average	1.1
		Median	0.7
Target Company	7,260[Note 2]	5,818[Note 3]	1.2
Target Company	7,260[Note 2]	2,198[Note 4]	3.3

Source: Stock Exchange

Notes:

1. The PB Ratio is calculated by dividing market capitalisation by net asset value attributable to owners of company

2. The implied market capitalisation of the Target Company represents the Consideration

3. The net asset value of the Target Company of approximately RMB5,818 million represents the Unadjusted NAV and the Net Debt as at 30 June 2020 (the "**Combined Net Asset Value**")

4. The net asset value of the Target Company represents the Unadjusted NAV

5. For the purpose of this table, conversion of RMB into HK$ in relation to the respective financial figures of the Comparable Companies and the Target Group denominated in RMB (if applicable and if any) is calculated at the approximate exchange rate of HK$1 to RMB0.9. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all

Based on above table, the PB Ratio of the Industry Comparables ranged from approximately 0.2 time to approximately 4.9 times and have an average of approximately 1.1 times and a median of approximately 0.7 time.

The implied PB Ratio of the Target Company based on the Consideration divided by the Combined Net Asset Value was approximately 1.2 times. Upon comparison, we noted that the implied PB Ratio of the Target Company is (i) within the range of the PB Ratio of the Industry Comparables; and (ii) comparable to the average and but higher than the median of PB Ratio of the Industry Comparables.

Alternatively, we have also calculated another implied PB Ratio of the Target Company based on the Consideration divided by the Unadjusted NAV only, being approximately of 3.3 times. Upon comparison, the implied PB Ratio of the Target Company is (i) within the range of the PB Ratio of the Industry Comparables; and (ii) higher than the average and the median of PB Ratio of the Industry Comparables.

In view that the Consideration was determined based on the Equity Consideration as well as the Net Debt as at Completion, we consider that it is reasonable to use the PB Ratio based on the Combined Net Asset Value for comparison purpose.

However, Independent Shareholders should also note that the Target Company is not a listed company, each of the Industry Comparables may not be entirely comparable to the Target Company in terms of market capitalisation, which may affect the valuation of a company as indicated by the varied range of result in our comparison. Therefore, we consider that the results of the Industry Comparables analysis is for illustration purpose only.

Given (i) the valuation methodologies and assumptions adopted by the Valuer are fair and reasonable as discussed; (ii) the Consideration represents a discount of approximately 24.8% to the sum of the Adjusted NAV and the Net Debt based on the adjusted consolidated management accounts of the Target Group as at 30 June 2020, which is a greater discount than the average and median of the discount on the consideration of the Transaction Comparables; (iii) the implied PB Ratio of the Target Company based on the Combined Net Asset Value of approximately 1.2 times is comparable to the average of PB Ratio of the Industry Comparables; and (iv) the Net Debt represents the face value of the shareholder's loan owing to the Vendors upon Completion, we consider the Consideration is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

4.2. Terms of payment

Pursuant to the Equity Transfer Agreement, the Consideration of approximately RMB7.26 billion shall be settled in cash by the Company to the Vendors in the following manner:

(i) 10% of the Consideration (being RMB0.73 billion, subject to adjustment based on the Completion Accounts) shall be paid within twenty (20) business days immediately following the date on which the Acquisition is approved at the EGM (the "**First Instalment**");

(ii) 20% of the Consideration (being RMB1.45 billion, subject to adjustment based on the Completion Accounts) shall be paid within six (6) months immediately following the date on which the Acquisition is approved at the EGM (the "**Second Instalment**");

(iii) 20% of the Consideration (being RMB1.45 billion, subject to adjustment based on the Completion Accounts) shall be paid within nine (9) months immediately following the date on which the Acquisition is approved at the EGM (the "**Third Instalment**");

(iv) 30% of the Consideration (being RMB2.18 billion, subject to adjustment based on the Completion Accounts) shall be paid within eleven (11) months immediately following the date on which the Acquisition is approved at the EGM (the "**Fourth Instalment**"); and

(v) the balance of the Consideration (after withholding the Holdback Sum (or part thereof), if applicable) shall be paid within twelve (12) months immediately following the date on which the Acquisition is approved at the EGM (the "**Final Instalment**").

In normal cases, it is common that the whole amount of the consideration is required to be paid or settled upon completion. In our case, only 10% of the Consideration is required to be paid within twenty (20) business days immediately following the date on which the Acquisition is approved at the EGM. Furthermore, the payments of Consideration were divided in five instalments throughout 12 months, which provides flexibility for the Company to fund the Acquisition by using its internal resources. As part of our due diligence, we have compared the terms of payment of the Equity Transfer Agreement with those of the Transaction Comparables. Based on our research, we noted that three out of four Transaction Comparables involved cash consideration, which are the transactions of China Sandi Holdings Limited, Hoifu Energy Group Limited and Yida China Holdings Limited, and their cash portion would be (i) fully settled upon the completion date; (ii) fully settled within 10 days from the date of acquisition agreement; and (iii) fully settled by six installments within 12 months after completion of acquisition respectively. Among the terms of payments of the Transaction Comparables, we noted that terms of payment offered to the Company by the Vendors are no less favourable than those of the Transaction Comparables.

We have reviewed the information provided by the Group in connection with the Enlarged Group's working capital requirements for not less than twelve months from the date of the Circular, where we note that the Group is estimated to have sufficient fund to (i) settle each of the instalments at the specified time by assuming the Completion will be taken place by 31 December 2020, and (ii) meet its daily operation needs and development expenditures (including both the development projects of the Group and the Target Group) for the year ending 31 December 2021. We have then reviewed the major existing bank facility letters between the Enlarged Group and the banks and the relevant unutilised banking facilities, and understand that the available facilities allows the Enlarged Group to maintain liquidity to fund its operation and meet its obligations, and keep sufficient buffer to accommodate any unexpected changes in the business environment. Based on our further discussion with the Group, we understand that the Group will continue to actively and regularly review and monitor its cash flows and maintain a healthy and stable liquidity position.

Based on above, we consider the terms of payment to be beneficial to the Group as the Equity Transfer Agreement allows the Group to settle the Consideration by instalments within a reasonable timeframe after Completion, and thus provides flexibility in meeting the Group's funding requirement. Therefore, we are of the view that the aforesaid payment terms are fair and reasonable and in the interest of shareholders as a whole.

4.3. Conditions Precedent and completion

Completion is conditional upon the following conditions having been fulfilled or waived (as the case may be):

(i) the Company having obtained Independent Shareholders' approval for the Acquisition at the EGM in accordance with the Listing Rules;

(ii) the representations and warranties made by the Vendors and the Target Company remaining true, accurate and not misleading through to Completion, and the Vendors and the Target Company not having breached any of their obligations under the Equity Transfer Agreement before Completion;

(iii) no government authority having formulated, issued, promulgated, implemented, or adopted any laws or government decrees (whether temporary, preliminary or permanent) that restrict or prohibit Completion or render the transactions contemplated under the Equity Transfer Agreement illegal;

(iv) there not having been any material adverse impact on the Target Group through to Completion; and

(v) written consent having been obtained from certain creditors of the Target Group in respect of the Acquisition.

Conditions (i) and (iii) may not be waived. Conditions (ii), (iv) and (v) may be waived by the Purchaser.

For condition (v), the certain creditors of the Target Group are commercial banks which have outstanding loans to the Target Group and the relevant loan agreements specified that the consent of such banks is required in the event of a change in shareholding of the Target Company.

Please refer to the Letter from the Board for fuller details of the condition precedent. We consider that the conditions precedent of the Equity Transfer Agreement are not unusual in all material respects.

4.4. Indemnities

Referring to the indemnity clause under the Equity Transfer Agreement, details of which are set out in the Letter from the Board, the Vendors are committed to indemnifying the Purchaser for its losses arisen from the contingent liabilities as set out in the Equity Transfer Agreement in relation to Target Group's property development projects. These contingent liabilities which were identified in the course of legal and financial due diligence include government or administrative fines, costs and liabilities which may be incurred as a result of or in relation to its failure to satisfy its contractual obligations, ongoing litigation and potential disputes and the like, for which a total estimated contingent liabilities amounted to approximately RMB0.95 billion. For details of the contingent liabilities, please refer to paragraph headed "Indemnities" in the Letter from the Board of the Circular. Based on the contingent liabilities identified in the course of the Company's legal and financial due diligence on the Target Group, the Company believes that the Holdback Sum is reasonably sufficient to cover such liabilities. In addition, in the event that the Holdback Sum is insufficient to cover any such liabilities, the

Company believes that Greenland Holdings, being the holding company of the Vendors and the ultimate controlling shareholder of the Company, will procure payment of the amount of loss incurred by the Purchaser that is not covered by the Holdback Sum. Greenland Holdings is listed on the Shanghai Stock Exchange and a Fortune 500 company.

We have obtained the due diligence reports prepared by independent PRC legal adviser and financial due diligence adviser who have been engaged by the Company to perform comprehensive legal and financial due diligence on the Target Group regarding the aforesaid contingent liabilities, and understand that the contingent liabilities of approximately RMB0.95 billion were determined based on the findings stated in the legal due diligence report and financial due diligence report. For such contingent liabilities, we understand that the major components are failure to satisfy contractual obligations of the construction and delivery of property, tax contribution and making timely payment, certain ongoing litigations and potential disputes with minority shareholders, details of which are set out in the Letter from the Board. As advised by the PRC legal adviser and financial due diligence adviser, the contingent liabilities were considered as material and determined based on the facts, the terms of relevant contracts, and the relevant PRC laws and regulations. We have further discussed with the reporting accountants of the Target Group regarding the financial impact to the financial position of the Target Group. We understand that those incidents were not settled or adjudicated as to 30 June 2020, and therefore no provisions in relation to those incidents were made in the financial statement of the Target Group, while contingent liabilities were necessary to be made to reflect current developments in those incidents. Moreover, the PRC legal adviser is of the view that, except for the contingent liabilities of approximately RMB0.95 billion, there is no other uncertain event that is very likely to occur and may cause significant losses to the Company. Based on PRC legal adviser's view on the due diligence findings and likelihood of contingencies and the PRC financial and tax due diligence advisors' due diligence findings, the PRC financial due diligence adviser is of the view that, the Target Group has no other material contingent liability which has not been reflected on the balance sheet of the Target Group as of 30 June 2020, according to the GAAP applied by the Target Group. Based on above, we concur with the PRC legal adviser, financial due diligence adviser and the reporting accountants of the Target Group that the basis of the contingent liabilities and the accounting treatment of the contingent liabilities are reasonable.

Under the Equity Transfer Agreement, we noted that there is a mechanism for the Purchaser to withhold Holdback Sum from the instalments of the Consideration payable. The purpose of the Holdback Sum is to provide safeguard to the Purchaser as a compensation for any actual losses incurred in the future. In general, the Holdback Sum will be returned to the Vendors fully only if the incidents causing the contingent liabilities are solved without loss to the Purchaser. In case the incidents are remained unresolved, the Purchaser has the right to withhold the Holdback Sum correlating to the relevant incident(s) unresolved. Furthermore, if it noticed that the actual losses are greater than the Holdback Sum, the Holdback Sum shall not be returned to the Vendors and the Vendors shall pay to the Purchasers the amount of loss incurred by the Purchaser not covered by the Holdback Sum. Besides the incidents under the Holdback Sum, the Purchaser shall indemnify the Vendors for losses incurred by the Vendors if it breaches any of the customary representations, warranties and undertakings given by it in the Equity Transfer Agreement.

Taking into account (i) the Holdback Sum of approximately RMB0.95 billion being determined based on the estimated contingent liabilities after comprehensive due diligence on the Target Group; (ii) the mechanism for the Purchaser to withhold the Holdback Sum from the instalments of the Consideration payable in any event that the incidents have not been resolved; and (iii) the Purchaser shall indemnify the Vendors for losses incurred by the Vendors if it breaches any of the customary representations, warranties and undertakings given by it in the Equity Transfer Agreement, we consider the indemnity clause under the Equity Transfer Agreement is fair and reasonable, in the interests of the Group and the Shareholders as a whole.

5. Financial effects of the Acquisition

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the members of the Target Group will be consolidated into the financial statements of the Group.

Earnings

Following Completion, the Target Group will become a wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated to the accounts of the Enlarged Group. Pursuant to the unaudited pro forma consolidated statement of profit or loss of the Enlarged Group in Appendix III to the Circular, as if the Acquisition had been completed on 1 January 2019, the revenue of the Enlarged Group is expected to significantly increase from approximately RMB17.7 billion to approximately RMB36.6 billion while the profit attributable to owners of the Enlarged Group is expected to increase from approximately RMB2.5 billion to approximately RMB3.9 billion.

Net assets

As set out in the unaudited pro forma consolidated statement of financial position of the Enlarged Group in Appendix III to the Circular, assuming the Acquisition had taken place on 30 June 2020, it is expected that net assets attributable to owners of the Enlarged Group will decrease from approximately RMB12.5 billion to approximately RMB11.0 billion mainly due to the difference between the Equity Consideration and the Unadjusted NAV. However, the pro forma consolidated statement of financial position did not reflect the Revaluation Surplus and the Consideration Adjustments. On such basis, it could be considered that the Enlarged Group's consolidated net asset value would not deteriorate upon Completion after taking into account the Revaluation Surplus and the Consideration Adjustments.

Gearing

As of 30 June 2020, the gearing ratio of the Group (measured as total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) was approximately 38.1%. Based on the unaudited pro forma consolidated statement of financial position of the Enlarged Group in Appendix III to the Circular, the gearing position of the Enlarged Group would increase to approximately 48.3%, mainly due to the total borrowings attributable to the Target Group in the amount of approximately RMB7.3 billion as at 30 June 2020 to be included in the Enlarged Group for illustration purpose. However, taking into account the completion of the development and sale of the Properties, the Enlarged Group will receive cash proceeds from sale of the properties and recognize profit, such cash proceeds can be used for repayment of borrowings whilst the profit recognized could enhance the net asset value of the Enlarged Group. On such basis, the gearing position of the Enlarged Group will be improved.

Cashflow

The Consideration shall be settled by the Company using its internal resources. Based on our review on the information provided by the Group in connection with the Enlarged Group's working capital requirements for not less than twelve months from the date of the Circular, including the Group's cash level and unutilised banking facilities, we understand that the Group is estimated to have sufficient fund to (i) settle each of the instalments at the specified time by assuming the Completion will be taken place by 31 December 2020, and (ii) meet its daily operation needs and development expenditures (including both the development projects of the Group and the Target Group) for the year ending 31 December 2021. Therefore, we concur with the Directors that the Group has sufficient financial resources to satisfy the cash payment and has sufficient working capital to meet its present requirement for the next 12 months from the date of the Circular.

Based on the foregoing, we are of the view that the financial effects of the Acquisition are favorable to the Group and accordingly we are of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned as well as is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favor of the resolutions in relation to the Equity Transfer Agreement to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Alan Fung	**Louis Chan**
Managing Director	*Director*

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 24 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 18 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Group for the three financial years ended 31 December 2019 and the six months ended 30 June 2020 have been disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.greenlandhk.com/):

- interim report of the Company for the six months ended 30 June 2020 published on 28 September 2020 (pages 30 to 62);
- annual report of the Company for the year ended 31 December 2019 published on 28 April 2020 (pages 165 to 338);
- annual report of the Company for the year ended 31 December 2018 published on 29 April 2019 (pages 140 to 328); and
- annual report of the Company for the year ended 31 December 2017 published on 19 April 2018 (pages 132 to 284).

The said interim report and annual reports of the Company are available through the links below:

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0928/2020092800787.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042802272.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn201904291300.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0419/ltn201804191249.pdf

2. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 30 September 2020, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Enlarged Group had outstanding Renminbi borrowings of approximately RMB23.04 billion and bonds of RMB2.04 billion, which comprise the following:

	As at 30 September 2020 *RMB'000*
Current interest bearing loans (unsecured and unguaranteed)	87,872
Current portion of non-current secured and guaranteed bank loans	1,977,110
Current portion of non-current secured and unguaranteed bank loans	4,362,280
Current portion of non-current unsecured and guaranteed bank loans	513,900
Current portion of non-current unsecured and unguaranteed bank loans	568,000
	7,509,162
Non-current interest bearing loans	
Secured and guaranteed bank loans	5,739,050
Secured and unguaranteed bank loans	11,996,070
Unsecured and guaranteed bank loans	2,852,000
Unsecured and unguaranteed bank loans	2,362,374
Less: Current portion of non-current secured and guaranteed bank loans	(1,977,110)
Current portion of non-current secured and unguaranteed bank loans	(4,362,280)
Current portion of non-current unsecured and guaranteed bank loans	(513,900)
Current portion of non-current unsecured and unguaranteed bank loans	(568,000)
	15,528,204
2020 Bonds (unsecured and unguaranteed)	2,040,431
	25,077,797

As at the close of business on 30 September 2020, the Enlarged Group's secured bank loans amounted to approximately RMB17.74 billion were secured by the Enlarged Group's properties, right-of-use assets, restricted bank deposits and charges over equity interests of certain subsidiaries.

The Enlarged Group's total interest bearing loans and bonds as at 30 September 2020 were repayable as follows:

	As at 30 September 2020 *RMB'000*
Within 1 year or on demand	9,549,593
Over 1 year but less than 2 years	7,615,264
Over 2 years but less than 5 years	7,728,940
Over 5 years	184,000
	25,077,797

Amounts due to related parties and non-controlling shareholders

As at 30 September 2020, the Enlarged Group had balances of amount due to related parties and non-controlling shareholders, details of which are as follows:

(1) amounts due to Greenland Group of the Enlarged Group with a carrying amount of RMB14,480,042,000, which were unsecured and not guaranteed

(2) amounts due to joint ventures of the Enlarged Group with a carrying amount of RMB1,920,322,000, which were unsecured and not guaranteed

(3) amounts due to associates of the Enlarged Group with a carrying amount of RMB30,827,000, which were unsecured and not guaranteed

(4) amounts due to non-controlling shareholders of the Enlarged Group with a carrying amount of RMB6,326,567,000, which were unsecured and not guaranteed

Lease liabilities

At 30 September 2020, the Enlarged Group, as a lessee, had outstanding unpaid contractual lease payments for the remainder of the relevant lease terms amounting to RMB720,804,000 in aggregate (excluding contingent rental arrangement), among which RMB855,000 was secured by rental deposits and/or the lessor's charge over the leased assets and unguaranteed, while the remaining RMB719,949,000 was unsecured and unguaranteed.

Contingent liabilities

As at the close of business on 30 September 2020, the outstanding guarantees amounted to approximately RMB25.28 billion.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payables, as at the close of business on 30 September 2020, the Enlarged Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities, guaranteed or unguaranteed indebtedness or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Enlarged Group since 30 September 2020.

3. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL STATEMENT

The Directors are of the opinion that after taking into account the Enlarged Group's business prospects, the financial resources available to the Enlarged Group, including internally generated funds, the continuing availability of the financing facilities following the completion of the Acquisition and in the absence of unforeseen circumstances, the Enlarged Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group is principally engaged in the development and sales of properties. In the first half of 2020, the Group seized the opportunity to expand the land bank, acquiring 13 land parcels with a total of GFA of approximately 2.53 million sq.m. in 7 cities located in core urban areas in the Yangtze River Delta and Yunnan Province. Up to the date of 2020 interim result announcement, the Group held a land bank of approximately 22 million sq.m. mainly strategically located in the prime zones of core cities in the Yangtze River Delta and Pan-Pearl River Delta.

The revenue of the Group amounted to approximately RMB15.44 billion, RMB17.66 billion, RMB5.80 billion and RMB6.40 billion for the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2019 and 2020, respectively, mainly from the revenue arising from the property development business. The increase of the Group's revenue was mainly attributable to the increase in area of properties sold and delivered in 2019 and the six months ended 30 June 2020. The net profit of the Group amounted to approximately RMB1.98 billion, RMB3.04 billion, RMB0.88 billion and RMB0.70 billion for the two years ended 31 December 2018 and 2019 and the six months ended 30 June 2019 and 2020, respectively. The decrease in net profit of the Group from RMB0.88 billion for the six months ended 30 June 2019 to RMB0.70 billion for the six months ended 30 June 2020 was mainly due to decrease in gains on the change in fair value of investment properties by approximately RMB0.33 billion.

In February 2019, Central Committee of the Communist Party of China and the State Council published Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, which pointed out the Chinese government's plans to leverage the leading function of the Greater Bay Area, to coordinate the productivity layout of the nine Pearl River Delta municipalities and eastern, western and northern Guangdong, and to foster development in nearby areas at a faster pace.

Before the Acquisition, the Group's presence in Pan-Pearl River Delta region were mainly concentrated in Guangxi and Yunnan, with only 2 projects in Guangdong. The Target Group held 35 properties in Guangdong Province, of which 29 properties were in the Greater Bay Area. Therefore, the proposed Acquisition is an important step taken by the Group to speed up its property development business in the Greater Bay Area, and to leverage its experience and advantages in project planning, construction and resource integration. Pursuant to the Equity Transfer Agreement, the Group will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong province The Enlarged Group will continue to focus on the development and sales of properties in Yangtze River Delta and Pan-Pearl River Delta. The development scale of properties in the Greater Bay Area will be largely expanded after the Acquisition. It is expected that the Acquisition will enhance the overall competitiveness of the Enlarged Group and potentially increase the growth potential and profitability of the Enlarged Group.

6. PROPERTY VALUATION REPORT

Cushman & Wakefield Limited, an independent property valuer, has valued the Properties of the Target Group as at 30 September 2020. The text of the Valuation Report is set out in Appendix VI to this circular.

The reconciliation between the carrying amount of the properties held by the Target Group and the land pending issuance of land use rights certificate as at 30 June 2020 and the valuation of the properties and the land pending issuance of land use rights certificate as at 30 September 2020 is as follows:

	RMB'000
Carrying amount of the Properties held by the Target Group and the land pending issuance of land use rights certificate as at 30 June 2020	40,295,357
Net changes during the period from 30 June 2020 to 30 September 2020*(Note)*	1,569,919
Valuation surplus	2,997,724
Total market value of the Properties held by the Target Group as at 30 September 2020	44,863,000

Note: Net changes in the property value held by the Target Group from 30 June 2020 to 30 September 2020 was mainly due to the increase in construction costs based on the progress of the project, the payment for the land premium, and the reduction in the book value of properties delivered to the property purchasers.

The following is the text of a report set out on pages II-1 to II-83, received from the Target Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF GUANGZHOU GREENLAND REAL ESTATE DEVELOPMENT CO., LTD TO THE DIRECTORS OF GREENLAND HONG KONG HOLDINGS LIMITED

Introduction

We report on the historical financial information of Guangzhou Greenland Real Estate Development Co., Ltd (廣州綠地房地產開發有限公司) (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages II-5 to II-83, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2017, 2018, 2019 and 30 June 2020, the statements of financial position of the Target Company as at 31 December 2017, 2018, 2019 and 30 June 2020, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the three years ended 31 December 2019 and six months ended 30 June 2020 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-5 to II-83 forms an integral part of this report, which has been prepared for inclusion in the circular of Greenland Hong Kong Holdings Limited (the "Company") dated 25 November 2020 (the "Circular") in connection with the proposed acquisition of the Target Group by the Company.

Director's responsibility for the Historical Financial Information

The sole director of the Target Company is responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the sole director of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular in which the Historical Financial Information of the Target Group is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2017, 2018, 2019 and 30 June 2020, of the Target Company's financial position as at 31 December 2017, 2018, 2019 and 30 June 2020, and of the Target Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2019 and other explanatory information (the "Stub Period Comparative Financial Information"). The sole director of the Target Company is responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review.

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statement as defined on page II-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which contains information about the dividends declared and paid by the Target Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 November 2020

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Six months ended 30 June	
		2017	2018	2019	2019	2020
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(audited)	(audited)	(audited)	(unaudited)	(audited)
Revenue	6	10,272,770	11,113,623	18,980,419	5,443,462	3,741,727
Cost of sales		(7,865,316)	(7,863,865)	(13,637,310)	(3,924,233)	(2,437,519)
Gross profit		2,407,454	3,249,758	5,343,109	1,519,229	1,304,208
Other income	8	9,444	1,195	12,648	909	1,711
Selling and marketing costs		(323,288)	(491,142)	(375,911)	(172,489)	(110,969)
Administrative expenses		(120,990)	(147,785)	(219,702)	(89,454)	(132,555)
Other operating expenses	9	(26,222)	(12,649)	(173,911)	(9,437)	(20,901)
Impairment loss on trade and other receivables		(16,382)	–	–	–	–
Impairment loss under expected credit loss ("ECL") model on trade and other receivables		–	(1,577)	(63,090)	(45,867)	(20,298)
(Loss) gain on changes in fair value of investment properties	19	(41,000)	33,316	23,299	(122,724)	(30,661)
Finance income		27,038	58,630	46,322	10,031	5,780
Finance costs	10	(450,816)	(249,363)	(126,330)	(70,836)	(43,598)
Share of profits (losses) of joint ventures		34,637	(19,815)	627,902	477,140	45,116
Profit before tax		1,499,875	2,420,568	5,094,336	1,496,502	997,833
Income tax expenses	11	(1,222,942)	(1,322,346)	(2,424,378)	(505,023)	(498,111)
Profit and total comprehensive income for the year/period	12	276,933	1,098,222	2,669,958	991,479	499,722
(Loss) profit and total comprehensive (expense) income for the year/period attributable to:						
Owners of the Target Company		(241,535)	403,452	1,408,902	690,461	329,546
Non-controlling interests		518,468	694,770	1,261,056	301,018	170,176
		276,933	1,098,222	2,669,958	991,479	499,722

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

					As at
		As at 31 December			**30 June**
	NOTES	**2017**	**2018**	**2019**	**2020**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Assets					
Property, plant and equipment	*17*	6,934	6,424	101,852	98,758
Right-of-use assets	*18*	2,838	3,487	1,323	6,453
Investment properties	*19*	131,000	298,000	1,039,000	1,022,000
Interests in joint ventures	*20*	427,034	1,195,417	1,823,319	1,868,435
Deferred tax assets	*21(i)*	297,924	324,629	583,975	681,445
Total non-current assets		865,730	1,827,957	3,549,469	3,677,091
Current Assets					
Properties under development	22	24,533,353	26,329,418	28,889,492	29,235,178
Completed properties held for sale	22	5,158,749	11,513,664	9,065,661	7,389,393
Trade and other receivables and advance deposits	*23*	15,179,572	8,014,891	13,588,880	14,539,451
Tax recoverable	*24*	657,652	845,419	715,968	1,027,709
Contract costs	*25*	98,171	92,365	86,007	118,239
Other financial assets	*26*	1,153,305	577,651	–	–
Restricted bank deposits	*27*	1,241,767	588,447	542,602	935,313
Bank balances and cash	*28*	5,905,934	6,400,314	4,718,144	3,082,436
Total current assets		53,928,503	54,362,169	57,606,754	56,327,719
Current Liabilities					
Trade and other payables	*29*	19,328,348	20,203,533	29,935,552	28,077,085
Contract liabilities	*30*	15,139,281	19,498,093	14,565,285	15,280,990
Tax payable		710,834	836,876	2,131,350	1,911,345
Interest-bearing loans	*31(i)*	8,145,920	3,997,510	4,590,700	4,077,360
Lease liabilities	*32*	55,495	59,720	81,975	86,118
Total current liabilities		43,379,878	44,595,732	51,304,862	49,432,898
Net current assets		10,548,625	9,766,437	6,301,892	6,894,821

		As at 31 December			As at 30 June
	NOTES	**2017**	**2018**	**2019**	**2020**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital and Reserves					
Issued capital	*33*	1,850,000	1,850,000	1,850,000	1,850,000
Reserves	*34*	(55,517)	(1,040,899)	18,003	347,549
Equity attributable to:					
Owners of the Target Company		1,794,483	809,101	1,868,003	2,197,549
Non-controlling interests		2,644,001	3,120,518	4,489,942	4,660,118
Total equity		4,438,484	3,929,619	6,357,945	6,857,667
Non-current Liabilities					
Interest-bearing loans	*31(i)*	6,571,720	7,300,530	2,945,930	3,198,030
Lease liabilities	*32*	379,608	328,374	489,996	455,417
Deferred tax liabilities	*21(i)*	24,543	35,871	57,490	60,798
Total non-current liabilities		6,975,871	7,664,775	3,493,416	3,714,245
Total assets		54,794,233	56,190,126	61,156,223	60,004,810
Total liabilities		50,355,749	52,260,507	54,798,278	53,147,143

STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY

	NOTES	As at 31 December 2017	As at 31 December 2018	As at 31 December 2019	As at 30 June 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Property, plant and equipment	17	4,388	3,394	2,233	1,915
Interests in subsidiaries	42	7,631,237	9,052,205	10,369,554	10,369,554
Interests in joint ventures	20	427,034	1,195,417	1,823,319	1,868,435
Total non-current assets		8,062,659	10,251,016	12,195,106	12,239,904
Current Assets					
Properties under development	22	2,484,935	2,705,964	618,526	612,049
Completed properties held for sale	22	225,921	225,855	1,142,514	1,148,664
Trade, other receivables and advance deposits	23	8,002,512	6,746,096	8,953,693	9,248,571
Tax recoverable		109,883	115,563	90,510	120,285
Restricted bank deposits		–	–	24,859	90,261
Bank balances and cash	28	546,232	185,571	160,915	16,778
Total current assets		11,369,483	9,979,049	10,991,017	11,236,608
Current Liabilities					
Trade and other payables	29	9,132,969	14,775,171	19,468,182	20,276,490
Contract liabilities	30	927,018	1,252,445	536,716	773,893
Tax payable		2,225	1,034	20,229	22,400
Interest-bearing loans	31(ii)	5,640,000	1,910,000	929,500	250,000
Total current liabilities		15,702,212	17,938,650	20,954,627	21,322,783
Net current liabilities		(4,332,729)	(7,959,601)	(9,963,610)	(10,086,175)
CAPITAL AND RESERVES					
Issued capital	33	1,850,000	1,850,000	1,850,000	1,850,000
Reserves	34	(618,700)	(967,215)	(97,634)	(75,201)
Total equity		1,231,300	882,785	1,752,366	1,774,799
Non-current Liability					
Interest-bearing loans	31(ii)	2,498,630	1,408,630	479,130	378,930
Total non-current liability		2,498,630	1,408,630	479,130	378,930
Total assets		19,432,142	20,230,065	23,186,123	23,476,512
Total liabilities		18,200,842	19,347,280	21,433,757	21,701,713

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Target Company					
	Issued capital	PRC statutory reserves	Retained earnings (Accumulated losses)	Sub-total	Attributable to Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	1,850,000	71,535	114,483	2,036,018	2,382,624	4,418,642
(Loss) profit for the year	–	–	(241,535)	(241,535)	518,468	276,933
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	102,909	102,909
Dividends recognised as distribution	–	–	–	–	(360,000)	(360,000)
At 31 December 2017	1,850,000	71,535	(127,052)	1,794,483	2,644,001	4,438,484
Adjustments *(Note 3)*	–	–	(90,384)	(90,384)	(18,827)	(109,211)
At 1 January 2018 (restated)	1,850,000	71,535	(217,436)	1,704,099	2,625,174	4,329,273
Profit for the year	–	–	403,452	403,452	694,770	1,098,222
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	117,000	117,000
Dividends recognised as distribution	–	–	(953,520)	(953,520)	(354,347)	(1,307,867)
Acquisition of non-controlling interests	–	–	(344,930)	(344,930)	37,921	(307,009)
At 31 December 2018	1,850,000	71,535	(1,112,434)	809,101	3,120,518	3,929,619
Profit for the year	–	–	1,408,902	1,408,902	1,261,056	2,669,958
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	566,579	566,579
Dividends recognised as distribution	–	–	(350,000)	(350,000)	(458,211)	(808,211)
At 31 December 2019	1,850,000	71,535	(53,532)	1,868,003	4,489,942	6,357,945
Profit for the period	–	–	329,546	329,546	170,176	499,722
At 30 June 2020	1,850,000	71,535	276,014	2,197,549	4,660,118	6,857,667
At 1 January 2019	1,850,000	71,535	(1,112,434)	809,101	3,120,518	3,929,619
Profit for the period	–	–	690,461	690,461	301,018	991,479
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	4,000	4,000
At 30 June 2019 (unaudited)	1,850,000	71,535	(421,973)	1,499,562	3,425,536	4,925,098

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
OPERATING ACTIVITIES					
Profit before tax	1,499,875	2,420,568	5,094,336	1,496,502	997,833
Adjustments for:					
Depreciation of property, plant and equipment	1,566	1,990	4,258	564	3,250
Amortisation of right-of-use assets	1,058	1,948	2,164	1,082	1,690
Loss (gains) on the change in fair value of investment properties	41,000	(33,316)	(23,299)	122,724	30,661
Write-down of properties under development and completed properties held for sale	651,431	487,010	1,221,256	75,398	165,782
Impairment loss of trade and other receivables	16,382	–	–	–	–
Impairment loss under ECL model of trade and other receivables	–	1,577	63,090	45,867	20,298
Finance income	(27,038)	(58,630)	(46,322)	(10,031)	(5,780)
Finance costs	450,816	249,363	126,330	70,836	43,598
Share of (profits) losses of joint ventures	(34,637)	19,815	(627,902)	(477,140)	(45,116)
Operating cash flows before movements in working capital	2,600,453	3,090,325	5,813,911	1,325,802	1,212,216
(Increase) decrease in properties under development and completed properties held for sale	(4,179,811)	(6,539,165)	(1,356,375)	(691,699)	1,687,970
Decrease (increase) in trade and other receivables and advance deposits	851,830	148,098	(1,326,899)	(2,277,441)	(706,553)
(Increase) decrease in contract costs	(53,874)	5,806	6,358	(41,249)	(32,232)
Increase (decrease) in trade and other payables	3,878,775	3,839,467	1,886,524	1,093,688	(1,333,938)
Increase (decrease) in contract liabilities	3,880,493	3,966,191	(5,008,630)	269,127	406,823
Net cash generated from (used in) operations	6,977,866	4,510,722	14,889	(321,772)	1,234,286
Income tax paid	(1,452,693)	(1,363,045)	(1,238,180)	(910,504)	(1,124,019)
Net cash from (used in) operating activities	5,525,173	3,147,677	(1,223,291)	(1,232,276)	110,267

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
INVESTING ACTIVITIES					
Advance to non-controlling shareholders	(1,558,437)	(1,254,728)	(978,345)	(604,685)	(60,020)
Acquisition of other financial assets	(1,153,305)	(577,651)	–	–	–
Deposit of restricted bank deposits	(1,445,495)	(328,397)	(202,457)	(193,502)	(509,922)
Advance to related parties	(516,794)	(916,011)	(5,180,133)	(3,435,297)	(306,153)
Acquisition of property, plant and equipment	(3,252)	(1,480)	(1,065)	(616)	(156)
Acquisition of a subsidiary	–	(1,245,589)	–	–	–
Withdrawal of restricted bank deposits	628,978	981,717	248,302	377,805	117,211
Interest received	27,038	58,630	46,322	10,031	5,780
Repayment from related parties	11,644	8,927,489	988,011	11	30,207
Repayment from non-controlling shareholders	–	135,944	860,287	550,490	71,650
Capital injection to a joint venture	–	(811,500)	–	–	–
Disposal of other financial assets	250,000	1,153,305	577,651	550,000	–
Net cash (used in) from investing activities	(3,759,623)	6,121,729	(3,641,427)	(2,745,763)	(651,403)
FINANCING ACTIVITIES					
Interest-bearing loans raised	6,294,130	6,515,000	1,812,000	730,000	1,468,000
Advance from related parties	3,316,541	938,852	6,176,338	3,735,166	185,967
Capital contribution from non-controlling shareholders	102,909	117,000	566,579	4,000	–
Advance from non-controlling shareholders	430	2,000	1,982,594	1,276,898	26,173
Repayment of interest-bearing loans	(7,390,090)	(9,934,600)	(5,573,410)	(2,481,600)	(1,729,240)
Interest paid	(1,305,989)	(858,302)	(476,402)	(318,073)	(264,230)
Repayment to related parties	(671,479)	(3,261,306)	(750,855)	–	(405,121)
Repayment to non-controlling shareholders	(426,537)	(399,413)	–	(219,000)	(323,475)
Dividend paid to non-controlling shareholders	(360,000)	(354,347)	(458,211)		
Repayment of lease liabilities	(77,758)	(79,381)	(96,085)	(35,503)	(52,646)
Dividend paid	–	(1,153,520)	–	–	–
Acquisition of non-controlling interests of a subsidiary	–	(307,009)	–	–	–
Net cash (used in) from financing activities	(517,843)	(8,775,026)	3,182,548	2,691,888	(1,094,572)
Net increase (decrease) in cash and cash equivalents	1,247,707	494,380	(1,682,170)	(1,286,151)	(1,635,708)
Cash and cash equivalents at 1 January,	4,658,227	5,905,934	6,400,314	6,400,314	4,718,144
Cash and cash equivalents at 31 December/30 June, represented by bank balances and cash	5,905,934	6,400,314	4,718,144	5,114,163	3,082,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Target Company was established in the People's Republic of China (the "PRC") on 11 January 2011. The address of the Target Company's registered office and principal place of incorporation is No. 882 West Yuncheng Road, Baiyun District, Guangzhou, Guangdong Province. Greenland Holdings Corporation Limited ("Greenland Holdings") is the ultimate controlling shareholder of the Target Group.

Greenland Holdings Corporation Limited ("Greenland Holdings") is the parent company of the Target Company.

The Target Company is an investment holding company and is engaged in properties development in the PRC. The principal activity of the Target Group is the development for sale properties and related services in the PRC.

The statutory financial statements of the Target Company for the year ended 31 December 2017, 2018 and 2019 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the People's Republic of China ("PRC") and were audited by 瑞華會計師事務所(特殊普通合夥) for the year ended 31 December 2017 and 2018, and WUYIGE Certified Public Accountants LLP 大信會計師事務所(特殊普通合夥) for the year ended 31 December 2019 respectively, certified public accountants registered in the PRC.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Target Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information for the Track Record Period has been prepared in accordance with the accounting policies set out in Note 4 which conform with IFRSs issued by the IASB.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRSS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Target Group has consistently applied the accounting policies which conform with IFRSs, which are effective for the accounting period beginning on 1 January 2020 throughout the Track Record Period, including IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*, except that the Target Group adopted IFRS 9 *Financial Instruments* on 1 January 2018 and International Accounting Standard ("IAS") 39 *Financial Instruments: Recognition and Measurement* prior to 1 January 2018.

IFRS 9 *Financial Instruments*

IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) ECL for financial assets and other items (for example, financial guarantee contracts); and 3) general hedge accounting.

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected ECL model, as opposed to an incurred credit loss model under IAS 39. The ECL model requires an entity to account for ECL and changes in those ECLs at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Target Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement.*

Accounting policies resulting from application of IFRS 9 are disclosed in Note 4.

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	Trade and other receivables	Deferred tax assets	Accumulated losses	Non-controlling interests
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Closing balance at 31 December 2017 - IAS 39	13,859,579	297,924	(127,052)	2,644,001
Remeasurement				
Impairment under ECL model	(145,615)	36,404	(90,384)	(18,827)
Opening balance at 1 January 2018	13,713,964	334,328	(217,436)	2,625,174

Impairment under ECL model:

The Target Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under IAS 39, trade receivables have been assessed individually for debtors with significant balances, the remaining balances are grouped based on debtors' aging.

ECL for other items at amortised cost, including bank balances, restricted bank deposits, other financial assets and other receivables, are assessed on 12-month ECL ("12m ECL") basis and there had been no significant increase in credit risk since initial recognition, except for the other receivables amounting to RMB13,581,000 which are assessed and measured on lifetime ECL basis as those credit risk had increased significantly since initial recognition.

For outstanding financial guarantees, the Target Group considers there has been no significant increase in credit risk since initial recognition and hence the loss allowance is assessed on 12m ECL basis.

As at 1 January 2018, additional credit loss allowance of RMB145,615,000 and relevant deferred tax assets of RMB36,404,000 has been recognised against accumulated losses of RMB90,384,000, after net-off the impact of RMB18,827,000 to non-controlling interests.

All loss allowances, including trade receivables and other receivables as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

	Trade receivables	Other receivables	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2017- IAS 39	209	19,480	19,689
Amounts remeasured through opening accumulated losses	(36)	145,651	145,615
At 1 January 2018	173	165,131	165,304

New and amendments to IFRSs in issue but not yet effective:

The Target Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 16	Covid-19-Related Rent Concessions[2]
Amendments to IFRS 3	Reference to the Conceptual Framework[3]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[3]
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract[3]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018-2020[3]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 June 2020
3 Effective for annual periods beginning on or after 1 January 2022
4 Effective for annual periods beginning on or after 1 January 2021
5 Effective for annual periods beginning on or after a date to be determined

The sole director of the Target Company anticipates that the application of all the above new and amendments to IFRSs will have no material impact on the Target Group's consolidated financial statements in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with accounting policies which conform with IFRSs. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Historical Financial Information have been prepared on the historical cost basis except for the investment properties which are measured at fair value, and explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Target Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Target Group considers all relevant facts and circumstances in assessing whether or not the Target Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Target Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Target Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Target Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Target Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Target Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Target Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Target Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Target Group's interests in existing subsidiaries

Changes in the Target Group's interests in subsidiaries that do not result in the Target Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Target Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Target Group and the non-controlling interests according to the Target Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Target Company.

When the Target Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Target Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Target Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred directly to another category of equity as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9/IAS 39 or, when applicable, the cost on initial recognition of an investment in a joint venture or an associate.

Acquisition of a subsidiary not constituting a business

When the Target Group acquires a group of assets and liabilities that do not constitute a business, the Target Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Target Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Target Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Target Group. When the Target Group's share of losses of a joint venture exceeds the Target Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Target Group's net investment in the joint venture), the Target Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Target Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Target Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Target Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Target Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any assets, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Target Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Target Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of IAS 39/IFRS 9, the Target Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Target Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Target Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

When the Target Group reduces its ownership interest in a joint venture but the Target Group continues to use the equity method, the Target Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Target Group, profits and losses resulting from the transactions with the joint venture are recognised in the Target Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Target Group.

Revenue from contracts with customers

The Target Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Group's performance as the Target Group performs;

- the Target Group's performance creates or enhances an asset that the customer controls as the Target Group performs; or
- the Target Group's performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Target Group's obligation to transfer goods or services to a customer for which the Target Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Target Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Target Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Target Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Target Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Target Group adjusts for the promised amount of consideration for a significant financing component, the Target Group applies a discount rate that would be reflected in a separate financing transaction between the Target Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Target Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Target Group recognises sales commissions as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Target Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Target Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Target Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Target Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases and leases of low-value assets

The Target Group applies the short-term lease recognition exemption to leases of office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Target Group; and
- an estimate of costs to be incurred by the Target Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Target Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Target Group presents right-of-use assets that do not meet the definition of properties under development, completed properties held for sale and investment properties as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of properties under development, completed properties held for sale and investment properties are presented within "properties under development", "completed properties held for sale" and "investment properties".

Refundable rental deposits

Refundable rental deposits paid are accounted under IAS 39/IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Target Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Target Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Target Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Target Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Target Group as a lessor

Classification and measurement of leases

Leases for which the Target Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Target Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under IAS 39/IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments.

Sublease

When the Target Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

The Target Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sale and leaseback transactions

The Target Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Target Group.

The Target Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Target Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Taxation

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

The tax currently payable is based on taxable profit for each of the financial year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductable temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

For the purposes of measuring deferred tax for leasing transactions in which the Target Group recognises the right-of-use assets and the related lease liabilities, the Target Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Target Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Government grants

Government grants are not recognised until there is reasonable assurance that the Target Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Target Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits

Retirement benefit costs and termination benefits

The Target Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Target Group pays a fixed percentage of its qualifying staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Property, plant and equipment

Property, plant and equipment, including properties held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress, are stated in the consolidated statements of financial position at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Target Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets upon application of IFRS 16 and subleased by the Target Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

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

Impairment of property, plant and equipment, right-of-use assets and contract costs

At the end of each reporting period, the Target Group reviews the carrying amounts of its property, plant and equipment and contract costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Target Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Target Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Target Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Properties under development

Properties under development, representing leasehold land and buildings located in the PRC under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development are carried at the lower of cost and net realisable value. Cost comprises the costs of right-of-use assets, construction costs, borrowing costs capitalised and other direct development expenditure. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties in the ordinary course of business less estimated costs to completion and the estimated costs necessary to make the sale. Properties under development for sale are transferred to completed properties for sale upon completion of development.

Completed properties held for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost comprises the costs of right-of-use assets, construction costs, borrowing costs capitalised and other direct development expenditure. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The Target Group transfers a property from completed properties held for sale to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Provisions

Provisions are recognised when the Target Group has a present obligation as a result of a past event, and it is probable that the Target Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Target Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9 / initial recognition of a financial asset the Target Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Target Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Target Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (upon application of IFRS 9 in accordance with transitions in Note 3)

The Target Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables (including lease receivables), other receivables, bank balances and cash and other financial assets) and financial guarantee contracts which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Target Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Target Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Target Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Target Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Target Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

For financial guarantee contracts, the date that the Target Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Target Group considers the changes in the risk that the specified debtor will default on the contract.

The Target Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group).

Irrespective of the above, the Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Target Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and the cash flows that the Target Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Target Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Target Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Target Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Target Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other non-trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, other financial assets, restricted bank deposits, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Target Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Target Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Target Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Target Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Target Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Target Group after deducting all of its liabilities. Equity instruments issued by the Target Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Target Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Target Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including interest-bearing loans and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (since 1 January 2018) / IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (before application of IFRS 9 on 1 January 2018); and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Target Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Group's accounting policies, which are described in Note 4, the director of the Target Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgements, apart from those involving estimations (see below), that the directors of the Target Company has made in the process of applying the Target Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Deferred taxation on investment properties

The Target Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the Historical Financial Information should the investment properties are subsequently disposed of by the Target Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed of, the Target Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

PRC land appreciation taxes

The Target Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of right-of-use assets and all property development expenditures. The Target Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of properties under development and completed properties held for sale, management refers to prevailing market data such as recent sales transactions and internally available information, as basis for evaluation.

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

For the year ended 31 December 2017, 2018 and 2019 and 30 June 2020, the amount of the impairment loss on properties under development and completed properties held for sale were RMB651,431,000, RMB948,860,000 and RMB2,170,116,000 and RMB2,317,356,000 respectively.

ECL allowance on financial assets

The Target Group recognises a loss allowance for ECL on financial assets including trade receivables and other receivables and other items such as financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix and individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Group's financial assets and other items are disclosed in Note 35(b).

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2017 (audited)		
	Revenue recognised at a point in time	Revenue recognised over time	Total
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	10,234,404	–	10,234,404
Others	–	19,529	19,529
Revenue from contracts with customers	10,234,404	19,529	10,253,933
Leases – rental income	–	18,837	18,837
Total revenue	10,234,404	38,366	10,272,770

	For the year ended 31 December 2018 (audited)		
	Revenue recognised at a point in time	Revenue recognised over time	Total
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	11,050,039	–	11,050,039
Others	–	5,725	5,725
Revenue from contracts with customers	11,050,039	5,725	11,055,764
Leases – rental income	–	57,859	57,859
Total revenue	11,050,039	63,584	11,113,623

	For the year ended 31 December 2019 (audited)		
	Revenue recognised at a point in time	Revenue recognised over time	Total
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	18,879,187	–	18,879,187
Others	–	38,547	38,547
Revenue from contracts with customers	18,879,187	38,547	18,917,734
Leases – rental income	–	62,685	62,685
Total revenue	18,879,187	101,232	18,980,419

	For the six months ended 30 June 2019 (unaudited)		
	Revenue recognised at a point in time	**Revenue recognised over time**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	5,382,362	–	5,382,362
Others	–	34,233	34,233
Revenue from contracts with customers	5,382,362	34,233	5,416,595
Leases – rental income	–	26,867	26,867
Total revenue	5,382,362	61,100	5,443,462

	For the six months ended 30 June 2020 (audited)		
	Revenue recognised at a point in time	**Revenue recognised over time**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	3,675,246	–	3,675,246
Others	–	25,245	25,245
Revenue from contracts with customers	3,675,246	25,245	3,700,491
Leases – rental income	–	41,236	41,236
Total revenue	3,675,246	66,481	3,741,727

(ii) Performance obligations for contracts with customers

Sales of properties

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Target Group concluded that the Target Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Target Group has present right to payment and collection of the consideration is probable.

The Target Group receives 30%-70% of the contract value as advance payment from customers when they sign the sale and purchase agreement. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

The Target Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Target Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

	Year ended 31 December			Six months ended 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of properties				
Within one year	11,962,070	14,461,010	10,655,184	11,070,872
More than one year but not more than two years	10,426,242	7,746,480	9,369,437	6,409,785
More than two years	6,498,864	7,976,018	2,092,749	670,590
	28,887,176	30,183,508	22,117,370	18,151,247

Other services grouped as "Others" are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
For operating leases:					
Lease payments	18,837	57,859	62,685	26,867	41,236

7. SEGMENT REPORTING

Information reported to the Target Group's senior executive management, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by products and services. No other discrete financial information is provided other than the Target Group's results and financial position as a whole. Accordingly, only entity-wide disclosures and major customers are presented.

Information about major customers

For the years ended 31 December 2017 and 2018 and six months ended 30 June 2019, no single customer contributes 10% or more of the total sales of the Target Group.

For the year ended 31 December 2019, except that a customer contributes approximately RMB1,964,648,000 to the revenue of the Target Group in respect of the sales of a property, no other single customer contributes 10% or more of the total sales of the Target Group.

For the six months ended 30 June 2020, except that a customer contributes approximately RMB783,662,000 to the revenue of the Target Group in respect of the sales of a property, no other single customer contributes 10% or more of the total sales of the Target Group.

8. OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Government grants *(Note)*	7,578	–	508	–	223
Others	1,866	1,195	12,140	909	1,488
	9,444	1,195	12,648	909	1,711

Note: The government grants received by the Target Group were unconditional and account for as incentive for environment protection with neither future related costs expected to be incurred nor related to assets.

9. OTHER OPERATING EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Penalty *(Note)*	4,342	2,277	106,499	94	499
Donation	200	17	–	–	104
Compensation	18,239	8,001	59,590	8,844	15,239
Others	3,441	2,354	7,822	499	5,059
	26,222	12,649	173,911	9,437	20,901

Note: A subsidiary of the Target Group was subject to a penalty amounting to RMB102,277,000 due to the illegal construction in 2019.

10. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Interest expenses on interest-bearing loans	1,307,634	813,887	563,820	278,878	256,157
Interest expenses on lease liabilities	18,759	22,971	26,674	10,259	15,390
Interest expenses on contract liabilities	77,131	392,621	329,110	131,644	308,882
	1,403,524	1,229,479	919,604	420,781	580,429
Less: Interest on interest-bearing loans capitalised	(875,577)	(587,495)	(464,164)	(218,301)	(227,949)
Interest on contract liabilities capitalised	(77,131)	(392,621)	(329,110)	(131,644)	(308,882)
Net interest expenses	450,816	249,363	126,330	70,836	43,598

Interest expenses capitalised during the Track Record Period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.05%, 5.48%, 5.68%, 5.45% and 5.62% per annum to expenditure on qualifying assets.

11. INCOME TAX EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Current tax					
– PRC Enterprise Income Tax ("EIT")	821,506	732,845	1,564,967	408,009	350,614
– PRC LAT	476,060	526,303	1,116,804	229,103	298,222
	1,297,566	1,259,148	2,681,771	637,112	648,836
Under (over) provision in prior years					
– PRC EIT	–	42,171	(19,666)	(19,666)	(56,563)
Deferred tax *(Note 21(i))*	(74,624)	21,027	(237,727)	(112,423)	(94,162)
	1,222,942	1,322,346	2,424,378	505,023	498,111

No provision for Hong Kong Profits Tax has been made as the Target Group did not earn any income subject to Hong Kong Profits Tax during the Track Record Period.

EIT

Pursuant to the Enterprise Income Tax Law of the PRC, the Target Group's main operating companies were subject to PRC EIT at a rate of 25% during the Track Record Period.

LAT

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income are as follows:

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Profit before tax	1,499,875	2,420,568	5,094,336	1,496,502	997,833
Tax at the applicable PRC EIT rate of 25%	374,969	605,142	1,273,584	374,126	249,458
Tax effect of share of results of joint ventures	(8,659)	4,954	(156,976)	(119,285)	(11,279)
Tax effect of expenses not deductible for tax purposes	16,608	72,359	49,306	21,755	9,915
Under (over) provision in respect of prior years	–	42,171	(19,666)	(19,666)	(56,563)
Tax effect of tax losses not recognised	486,911	202,994	458,043	76,266	83,494
Utilisation of tax losses previously not recognised	(3,932)	(1)	(17,516)	–	(580)
PRC LAT provision for the year	476,060	526,303	1,116,804	229,103	298,222
Tax effect of PRC LAT deductible for PRC EIT	(119,015)	(131,576)	(279,201)	(57,276)	(74,556)
Income tax expenses for the year/period	1,222,942	1,322,346	2,424,378	505,023	498,111

12. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Profit for the year/period has been arrived at after charging (crediting):					
Cost of properties sold	6,936,099	7,008,552	12,289,644	3,725,947	2,364,443
Staff costs (including director's emolument disclosed in Note 13)	274,815	422,196	445,119	257,206	205,442
Less: capitalised in properties under development	(140,413)	(185,413)	(183,364)	(119,912)	(54,476)
	134,402	236,783	261,755	137,294	150,966
Depreciation of property, plant and equipment	1,566	1,990	4,258	564	3,250
Amortisation of right-of-use assets	1,058	1,948	2,164	1,082	1,690
Amortisation of contract costs	30,879	119,936	119,268	33,221	25,849
Total depreciation and amortisation	33,503	123,874	125,690	34,867	30,789
Write-down of properties under development and completed properties held for sale (included in cost of sales)	651,431	487,010	1,221,256	75,398	165,782
Gross rental income from investment properties	18,837	57,859	62,685	26,867	41,236
Less: Direct operating expenses generated rental income during the year/period	(16,764)	(27,185)	(10,026)	(9,106)	(4,073)
Direct operating expenses did not generate rental income during the year/period	(3,385)	(5,489)	(2,024)	(1,839)	(822)
	(1,312)	25,185	50,635	15,922	36,341
Interest income on bank deposits	(27,038)	(58,630)	(46,322)	(10,031)	(5,780)

13. SOLE DIRECTOR'S REMUNERATION

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Mr. Chen Zhihua					
Basic salaries, allowances and other benefits	3,580	4,146	3,196	1,613	851
Bonus	1,621	541	457	–	–
Total	5,201	4,687	3,653	1,613	851

The bonus to the sole director is determined based on the performance of the director and the Target Group.

The director's emoluments shown above was for his services in connection with the management of the affairs of the Target Group.

The director Mr. Chen Zhihua resigned as a director in February 2020 and resigned as a general manager in May 2020.

14. EMPLOYEES' REMUNERATION

The five highest paid individuals of the Target Group during the Track Record Period included one director of the Target Company, whose remuneration is disclosed in Note 13. Details of remuneration paid to the remaining four highest paid individual of the Target Group are as follows:

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Basic salaries, allowances and other benefits	5,083	4,759	6,886	3,146	2,991
Bonus	4,067	805	1,134	–	–
Total	9,150	5,564	8,020	3,146	2,991

The number of the four highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees*	*No. of employees*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
HKD500,001 to HKD1,000,000	–	2	–	4	4
HKD1,000,001 to HKD1,500,000	1	–	–	–	–
HKD1,500,001 to HKD2,000,000	–	1	1	–	–
HKD2,000,001 to HKD2,500,000	2	1	3	–	–
HKD3,000,001 to HKD3,500,000	1	–	–	–	–
	4	4	4	4	4

15. DIVIDENDS

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Dividends for equity holders of the Target Company recognised as distribution during the year/period	–	953,520	350,000	–	–

Note: Dividends for The Track Record Period were declared based on PRC statutory audited financial statements.

16. EARNINGS PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Motor vehicles	Fixtures, fittings and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Target Group					
Cost					
At 1 January 2017	–	–	2,721	6,663	9,384
Additions	–	2,026	183	1,043	3,252
At 31 December 2017	–	2,026	2,904	7,706	12,636
Additions	–	–	965	515	1,480
At 31 December 2018	–	2,026	3,869	8,221	14,116
Transferred from completed properties held for sale	98,621	–	–	–	98,621
Additions	–	–	424	641	1,065
At 31 December 2019	98,621	2,026	4,293	8,862	113,802
Additions	–	–	–	156	156
At 30 June 2020	98,621	2,026	4,293	9,018	113,958
Depreciation					
At 1 January 2017	–	–	1,827	2,309	4,136
Charge for the year	–	128	376	1,062	1,566
At 31 December 2017	–	128	2,203	3,371	5,702
Charge for the year	–	675	198	1,117	1,990
At 31 December 2018	–	803	2,401	4,488	7,692
Charge for the year	1,952	675	326	1,305	4,258
At 31 December 2019	1,952	1,478	2,727	5,793	11,950
Charge for the period	2,342	334	154	420	3,250
At 30 June 2020	4,294	1,812	2,881	6,213	15,200
Carrying amounts					
At 31 December 2017	–	1,898	701	4,335	6,934
At 31 December 2018	–	1,223	1,468	3,733	6,424
At 31 December 2019	96,669	548	1,566	3,069	101,852
At 30 June 2020	94,327	214	1,412	2,805	98,758

	Motor vehicles *RMB'000*	Fixtures, fittings and equipment *RMB'000*	Total *RMB'000*
The Target Company			
Cost			
At 1 January 2017	1,366	5,347	6,713
Additions	–	1,042	1,042
At 31 December 2017	1,366	6,389	7,755
Additions	–	12	12
At 31 December 2018 and 2019 and 30 June 2020	1,366	6,401	7,767
Depreciation			
At 1 January 2017	739	1,657	2,396
Charge for the year	139	832	971
At 31 December 2017	878	2,489	3,367
Charge for the year	103	903	1,006
At 31 December 2018	981	3,392	4,373
Charge for the year	103	1,058	1,161
At 31 December 2019	1,084	4,450	5,534
Charge for the period	51	267	318
At 30 June 2020	1,135	4,717	5,852
Carrying amounts			
At 31 December 2017	488	3,900	4,388
At 31 December 2018	385	3,009	3,394
At 31 December 2019	282	1,951	2,233
At 30 June 2020	231	1,684	1,915

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	4.75%
Leasehold improvements	33.3%
Motor vehicles	9.5%-31.7%
Fixtures, fittings and equipment	19%-31.7%

As at 31 December 2019, included in the above figures are buildings of RMB96,669,000 which have been pledged as security for loans.

18. RIGHT-OF-USE ASSETS

	Leased properties
	RMB'000
The Target Group	
Cost	
At 1 January 2017	–
Additions	3,896
At 31 December 2017	3,896
Additions	2,597
At 31 December 2018, 31 December 2019	6,493
Additions	6,820
At 30 June 2020	13,313
Amortisation	
At 1 January 2017	–
Charge for the year	1,058
At 31 December 2017	1,058
Charge for the year	1,948
At 31 December 2018	3,006
Charge for the year	2,164
At 31 December 2019	5,170
Charge for the period	1,690
At 30 June 2020	6,860
Carrying amounts	
At 31 December 2017	2,838
At 31 December 2018	3,487
At 31 December 2019	1,323
At 30 June 2020	6,453

For the years ended 31 December 2017, 2018, 2019 and six months ended 30 June 2019 and 2020, the Target Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 3 years without extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Target Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Target Group regularly entered into short-term leases for office equipment. As at 31 December 2017, 2018, 2019 and 30 June 2019 and 2020, the portfolio of short-term leases is similar.

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Expense relating to short-term leases	36	97	182	91	153
Total cash outflow for leases	1,174	2,204	2,525	1,262	1,994

The Target Group regularly entered into short-term leases for office equipment. As at 31 December 2017, 2018, 2019 and 30 June 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 19.

Restrictions or covenants on leases

In addition, lease liabilities of RMB2,865,000, RMB3,580,000, RMB1,386,000 and RMB6,575,000 are recognised with related right-of-use assets of RMB2,838,000, RMB3,487,000, RMB1,323,000 and RMB6,453,000 as at 31 December 2017, 2018, 2019 and 30 June 2020 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

19. INVESTMENT PROPERTIES

	Investment properties
	RMB'000
The Target Group	
FAIR VALUE	
As at 1 January 2017	172,000
Net decrease in fair value recognised in profit and loss	(41,000)
As at 31 December 2017	131,000
Transfer from completed properties for sale	126,880
Addition	6,804
Net increase in fair value recognised in profit and loss	33,316
As at 31 December 2018	298,000
Transfer from completed properties for sale	523,654
Addition	194,047
Net increase in fair value recognised in profit and loss	23,299
As at 31 December 2019	1,039,000
Transfer from completed properties for sale	13,661
Net decrease in fair value recognised in profit and loss	(30,661)
As at 30 June 2020	1,022,000

During the year/period ended 31 December 2018, 2019 and 30 June 2020, certain completed properties held for sale and with carrying amount of RMB126,880,000, RMB523,654,000 and RMB13,661,000 were transferred to completed investment properties respectively upon the change in use of the properties evidenced by commencement of leasing agreement for the properties to generate rental income. At the date of transfer, the properties were fair valued by Cushman & Wakefield ("C&W") by reference to income capitalisation approach, the gain on revaluation of properties transferred from completed properties held for sale to investment properties amounting to RMB51,120,000 was recognised in the profit or loss during the year ended 31 December 2018 and the loss on revaluation amounting to RMB91,274,000 and RMB8,661,000 was recognised in the profit or loss in during the year/period ended 31 December 2019 and 30 June 2020 respectively.

The Target Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 7 to 20 years. The annual lease payment are fixed.

The Target Group is not exposed to foreign currency risk as a result of the lease arrangements as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

For the year ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, the total cash outflow for leases is RMB76,620,000, RMB77,274,000, RMB93,742,000, RMB34,332,000 and RMB50,805,000 respectively under sub-leases. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During the year ended 31 December 2019, the Target Group entered into a sale and leaseback transaction in relation to certain properties with the third party and the transaction satisfied the requirements as a sale. The Target Group recognised revenue of RMB378,355,000 on this transaction. The Target Group leased back these properties for 10 years for developing leasing business and recognised lease liabilities of RMB253,288,000 and investment properties of RMB338,000,000.

All of the Target Group's property interests held (including those held under operating leases) to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Target Group's investment properties as at 31 December 2017, 2018 and 2019 and 30 June 2020 has been arrived at on the basis of a valuation carried out on the respective dates by C & W, an independent qualified valuer not connected to the Target Group.

The management of the Target Company works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs for fair value measurements.

The fair value was determined based on the income approach. There has been no change to the valuation technique during the Track Record Period.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The following table presents the fair value of the Target Group's investment properties measured at the end of each reporting period on a recurring basis, categorised into the level 3 fair value hierarchy as defined in IFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Key inputs	**Range**	**Relationship of unobservable inputs to fair value**
Capitalisation rates	3.0%-5.5%	*Note (i)*
Average unit market rent	RMB35-RMB155 per sq.m. per month	*Note (ii)*

Notes:

(i) A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

(ii) A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

20. INTERESTS IN JOINT VENTURES

The Target Group and the Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of unlisted investments in joint ventures	280,000	1,091,500	1,091,500	1,091,500
Share of post-acquisition profits, net of dividends received	147,034	103,917	731,819	776,935
	427,034	1,195,417	1,823,319	1,868,435

The joint ventures are accounted for using the equity method in these Historical Financial Information.

Details of each of the Target Group's joint ventures at the end of each reporting period is as follows:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting power held by the Target Group				Principal activity
		As at 31 December			As at 30 June	
		2017	**2018**	**2019**	**2020**	
Guangzhou Huibang Zhiye Co., Ltd. ("Guangzhou Huibang")	Guangzhou, the PRC	50%	50%	50%	50%	Property development
Guangzhou Greenland Baiyun Zhiye Co., Ltd.	Guangzhou, the PRC	50%	50%	50%	50%	Property development
Guangzhou Yuehong Real Estate Development Co., Ltd.	Guangzhou, the PRC	50%	50%	50%	50%	Property development

Summarised financial information of a material joint venture

Summarised financial information in respect of the joint venture that is material to the Target Group set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with the accounting policies of the Target Group.

Guangzhou Huibang

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	84,565	139,994	55,593	–
Current assets	4,307,604	6,785,694	4,090,172	3,739,015
Non-current liabilities	300,000	370,000	48,000	58,760
Current liabilities	4,138,774	5,029,564	1,325,627	817,505

The above amounts of assets and liabilities include the following:

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank balances and cash	682,181	676,940	319,422	247,338
Non-current financial liabilities (excluding trade and other payables and provisions)	300,000	370,000	48,000	58,760

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	5,751,894	5,331,144	294,915
(Loss) profit and total comprehensive (expense) income for the year/period	(23,373)	(50,272)	1,246,014	954,648	90,613
Dividend received during the year/period	–	–	–	–	–

The above (loss) profit for the year/period includes the following:

Finance income	3,614	2,060	1,996	1,038	344
Income tax (credit) expense	(8,247)	(17,254)	793,354	638,601	46,204

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the Historical Financial Information:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net (liabilities) assets of Guangzhou Huibang	(46,605)	1,526,124	2,772,138	2,862,750
Proportion of the Target Group's ownership interest in Guangzhou Huibang	50%	50%	50%	50%
Carrying amount of the Target Group's interest in Guangzhou Huibang	–	763,062	1,386,069	1,431,375

Aggregate information of the joint ventures that are not individually material:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Target Group's share of profits (loss) for the year/period	46,323	5,321	4,895	(190)
Aggregate carrying amount of the Target Group's interests in the joint ventures	427,034	432,355	437,250	437,060

The Target Group has discontinued recognition of its share of losses of a joint venture as its share of losses of this joint venture equals or exceeds its interest in the joint venture. The amount of unrecognised share of losses of this joint venture and cumulatively, is as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unrecognised share of loss of a joint venture for the year/period	11,686	–	–	–
Accumulated unrecognised share of loss of a joint venture	23,302	–	–	–

21. DEFERRED TAXATION

(i) The Target Group

The components of deferred tax assets (liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period were as follows:

	Temporary difference on land appreciation tax and other accruals	Tax losses	ECL provision	Revaluation of investment properties	Contract cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	420	129,032	827	79,552	(11,074)	198,757
Credit (charge) to profit or loss	69,087	5,177	3,579	10,250	(13,469)	74,624
At 31 December 2017	69,507	134,209	4,406	89,802	(24,543)	273,381
IFRS 9 adjustment *(Note 3)*	–	–	36,404	–	–	36,404
At 1 January 2018 (restated)	69,507	134,209	40,810	89,802	(24,543)	309,785
Credit (charge) to profit or loss	67,904	(65,395)	(16,659)	(8,329)	1,452	(21,027)
At 31 December 2018	137,411	68,814	24,151	81,473	(23,091)	288,758
Credit (charge) to profit or loss	198,852	28,315	14,795	(5,824)	1,589	237,727
At 31 December 2019	336,263	97,129	38,946	75,649	(21,502)	526,485
Credit (charge) to profit or loss	66,289	23,431	4,835	7,665	(8,058)	94,162
At 30 June 2020	402,552	120,560	43,781	83,314	(29,560)	620,647

For the presentation purposes of the consolidated statements of financial position, certain deferred taxation assets (liabilities) have been offset. The following is an analysis of the deferred taxation balances for financial reporting purposes:

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	297,924	324,629	583,975	681,445
Deferred tax liabilities	(24,543)	(35,871)	(57,490)	(60,798)
	273,381	288,758	526,485	620,647

As at 31 December 2017, 2018, 2019 and 30 June 2020, the Target Group had unused tax losses of RMB3,104,779,000, RMB3,644,546,000, RMB5,517,619,000 and RMB5,896,390,000 available to offset against future profits respectively. Deferred tax assets have been recognised in respect of the tax losses of RMB536,836,000, RMB275,256,000, RMB388,516,000 and RMB482,240,000 at the applicable income tax rates of the respective subsidiaries as at 31 December 2017, 2018, 2019 and 30 June 2020 respectively. No deferred tax assets have been recognised in respect of the remaining tax losses of RMB2,567,943,000, RMB3,369,290,000, RMB5,129,103,000 and RMB5,414,150,000 because the management is of the view that it is not probable that the individual subsidiaries concerned can generate profits to utilise the tax losses before the tax losses become expired. The unrecognised tax losses as at 31 December 2017, 2018, 2019 and 30 June 2020 will expire in the following ending years:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2018	10,624	–	–	–
2019	2,296	2,296	–	–
2020	46,612	46,612	46,612	–
2021	560,766	560,766	560,766	560,766
2022	1,947,645	1,947,640	1,947,640	1,947,640
2023	–	811,976	741,913	741,913
2024	–	–	1,832,172	1,829,854
2025	–	–	–	333,977
	2,567,943	3,369,290	5,129,103	5,414,150

(ii) The Target Company

The component of deferred tax assets recognised in the consolidated statements of financial position and the movements during the Track Record Period were as follows:

	Tax losses	**ECL provision**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2017	55,786	130	55,916
Charge to profit or loss	(55,786)	(130)	(55,916)
At 31 December 2017, 2018, 2019 and 30 June 2020	–	–	–

As at 31 December 2017, 2018, 2019 and 30 June 2020, the Target Company had unused tax losses of RMB982,294,000, RMB1,077,877,000, RMB1,150,583,000 and RMB1,150,004,000 available to offset against future profits respectively. No deferred tax assets have been recognised at the applicable income tax rates of the Target Company as at 31 December 2017, 2018, 2019 and 30 June 2020 respectively because the management is of the view that it is not probable that the Target Company can generate profits to utilise the tax losses before the tax losses become expired. The unrecognised tax losses as at 31 December 2017, 2018, 2019 and 30 June 2020 will expire in the following ending years:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2021	199,001	199,001	199,001	199,001
2022	783,293	783,293	783,293	783,293
2023	–	95,583	95,583	95,583
2024	–	–	72,706	72,127
	982,294	1,077,877	1,150,583	1,150,004

22. PROPERTIES UNDER DEVELOPMENT/ COMPLETED PROPERTIES HELD FOR SALE

	The Target Group			
	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Properties under development				
Balance at 1 January	19,625,307	24,533,353	26,329,418	28,889,492
Cost capitalised	12,047,225	15,700,204	13,431,727	1,082,814
Transfer to completed properties held for sale	(7,139,179)	(13,904,139)	(10,871,653)	(737,128)
Balance at 31 December/30 June	24,533,353	26,329,418	28,889,492	29,235,178
Completed properties held for sale	5,158,749	11,513,664	9,065,661	7,389,393
Write-down of properties under development and completed properties held for sale:				
Balance at 1 January	–	651,431	948,860	2,170,116
Additions	651,431	487,010	1,221,256	165,782
Transfer to cost of sales	–	(189,581)	–	(18,542)
Balance at 31 December/30 June	651,431	948,860	2,170,116	2,317,356
Properties under development expected to be recoverable:				
Within one year	9,111,592	10,325,936	4,678,304	5,694,941
After one year	15,421,761	16,003,482	24,211,188	23,540,237
	24,533,353	26,329,418	28,889,492	29,235,178

The Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Properties under development				
Balance at 1 January	2,708,272	2,484,935	2,705,964	618,526
Cost capitalised	–	221,314	241,122	23,501
Transfer to completed properties held for sale	(223,337)	(285)	(2,328,560)	(29,978)
Balance at 31 December/30 June	2,484,935	2,705,964	618,526	612,049
Completed properties held for sale	225,921	225,855	1,142,514	1,148,664
Write-down of completed properties held for sale:				
Balance at 1 January	–	–	–	50,741
Additions (reversal)	–	–	50,741	(3,755)
Balance at 31 December/30 June	–	–	50,741	46,986
Properties under development expected to be recoverable:				
Within one year	–	2,302,345	26,498	–
After one year	2,484,935	403,619	592,028	612,049
	2,484,935	2,705,964	618,526	612,049

All the properties under development and completed properties held for sale are located in the PRC.

Properties under development and completed properties held for sale that have a plan to develop or sale, and expect to be realised within the Target Group's normal operating cycle, are classified as current.

Analysis of leasehold lands:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Target Group				
Carrying amount	17,778,318	18,998,854	21,667,699	18,117,984
The Target Company				
Carrying amount	1,653,169	1,653,169	1,071,757	1,018,169

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
The Target Group					
Total cash outflow	2,478,403	4,537,470	7,066,400	3,110,881	738,352
Additions	2,146,403	4,005,072	6,445,885	2,490,366	117,837

The carrying amount of leasehold lands is measured under IFRS 16 at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge on the leasehold lands taking into account the estimated residual values as at 31 December 2017, 2018 and 2019 and 30 June 2020.

As at 31 December 2017, 2018, 2019 and 30 June 2020, included in the above figures are properties under development of the Target Group of RMB7,135,398,000, RMB7,727,966,000, RMB10,590,440,000 and RMB8,916,774,000 respectively, which have been pledged as security for loans. No completed properties held for sale are pledged as security for loans as at 31 December 2017, 2018, 2019 and 30 June 2020.

As at 31 December 2017, 2018, 2019 and 30 June 2020, included in the above figures are properties under development of the Target Company of RMB953,088,000, RMB660,667,000, RMB322,250,000 and RMB322,250,000 respectively, which have been pledged as security for loans. No completed properties held for sale are pledged as security for loans as at 31 December 2017, 2018, 2019 and 30 June 2020.

23. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS

The Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables due from non-related parties in respect of contract with customers	21,005	108,623	1,355,818	1,130,025
Less: Allowance for doubtful debts/ credit losses	(209)	(2,816)	(30,563)	(25,148)
Trade receivables, net of allowances	20,796	105,807	1,325,255	1,104,877
Other receivables				
– due from related parties *(Note i)*	9,682,783	1,671,305	5,863,427	6,139,373
– due from non-controlling shareholders	2,962,664	4,081,448	4,199,506	4,187,876
– due from independent third parties	1,212,816	615,490	663,188	1,417,161
	13,858,263	6,368,243	10,726,121	11,744,410
Less: Allowance for doubtful debts/ credit losses	(19,480)	(164,064)	(199,407)	(225,120)
Other receivables, net of allowances	13,838,783	6,204,179	10,526,714	11,519,290
Advance payments to contractors	369,412	236,811	276,546	461,814
Advance to related parties	824	91,230	10,916	20,382
Deposits paid for acquisition of land use rights	332,000	532,398	620,515	620,515
Other tax prepayments *(Note ii)*	617,757	844,466	828,934	812,573
Total	15,179,572	8,014,891	13,588,880	14,539,451

The Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables				
– due from related parties	6,745,340	6,638,535	8,755,581	9,028,692
– due from non-controlling shareholders	–	–	30,000	75,501
– due from non-related parties	780,692	140,096	99,312	145,944
	7,526,032	6,778,631	8,884,893	9,250,137
Less: Allowance for doubtful debts/ credit losses	(5)	(70,069)	(72,388)	(72,404)
Other receivables, net of allowances	7,526,027	6,708,562	8,812,505	9,177,733
Advance payments to contractors	181,485	31,480	133,137	62,787
Advance to related parties	–	6,054	8,051	8,051
Deposits paid for right-of-use assets for sale	295,000	–	–	–
Total	8,002,512	6,746,096	8,953,693	9,248,571

Notes:

(i) Other receivables due from related parties are unsecured and repayable on demand.

(ii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of property projects.

In general, the Target Group provides no credit term to its customers, but the Target Group provides credit terms to its major customers with specific approval. As at 31 December 2018, 2019 and 30 June 2020, included in the Target Group's trade receivables balance are debtors with aggregate carrying amount of RMB105,807,000, RMB184,469,000 and RMB151,812,000 respectively, which are past due as at the reporting date. Out of the past due balances, RMB3,319,000, RMB109,262,000 and RMB139,998,000 has been past due 90 days or more and is not considered as in default since the director of the Target Company considered such balances could be recovered based on financial conditions and the current credit worthiness of each customers.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	The Target Group			
	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-90 days	5,158	102,488	1,215,993	11,814
91-180 days	144	1,390	1,069	1,989
181-365 days	15,494	1,929	6,044	1,050,940
Over 365 days	–	–	102,149	40,134
	20,796	105,807	1,325,255	1,104,877

Details of impairment assessment of trade and other receivables are set out in Note 35(b).

Movement in the allowance for doubtful debts of the Target Group:

	The Target Group		
	Trade receivables	**Other receivables**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2017	97	3,210	3,307
Impairment losses recognised	137	17,337	17,474
Impairment losses reversed	(25)	(1,067)	(1,092)
As at 31 December 2017	209	19,480	19,689

Movement in the allowance for doubtful debts of the Target Company:

	The Target Company		
	Trade receivables	**Other receivables**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2017	439	83	522
Impairment losses reversed	(439)	(78)	(517)
As at 31 December 2017	–	5	5

24. TAX RECOVERABLE

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC EIT	265,445	314,699	212,643	351,249
PRC LAT	392,207	530,720	503,325	676,460
	657,652	845,419	715,968	1,027,709

25. CONTRACT COSTS

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Incremental costs for obtaining property sale contracts	98,171	92,365	86,007	118,239

Management expects the incremental costs, primarily sale commission paid/payable, as a result of obtaining the property sale contracts are recoverable. The Target Group has capitalised the amounts and amortised when the related revenue are recognised.

The amount of contract costs recognised in profit or loss for the Track Record Period were RMB30,879,000, RMB119,936,000, RMB119,268,000 and RMB25,849,000 respectively.

26. OTHER FINANCIAL ASSETS

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits	1,153,305	577,651	–	–

Other financial assets carry interest at a market rate of 4% during the Track Record Period.

27. RESTRICTED BANK DEPOSITS

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits for construction and development of properties	382,912	140,026	79,438	394,772
Deposits for mortgage loans	845,103	367,392	358,826	477,947
Deposits pledged for interest-bearing loans	–	1,880	11,675	11,673
Others	13,752	79,149	92,663	50,921
	1,241,767	588,447	542,602	935,313

Restricted bank deposits carry interest at fixed rates which range from 0.3% to 1.5% during the Track Record Period.

Details of impairment assessment on restricted bank deposits are set out in Note 35(b).

28. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.3% to 1.5% during the Track Record Period.

As at 31 December 2017, 2018, 2019 and 30 June 2020, the carrying amount of advance from customers under supervision included in bank balances and cash amounted to RMB1,224,831,000, RMB1,099,868,000, RMB819,863,000 and RMB696,752,000 respectively.

29. TRADE AND OTHER PAYABLES

The Target Group

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables due to related parties				
– trade related	55,088	43,690	551,739	508,084
– non-trade related	8,918,156	6,595,702	12,021,185	11,802,031
	8,973,244	6,639,392	12,572,924	12,310,115
Trade payables to independent third parties	5,419,666	8,453,566	10,499,977	8,974,204
Other taxes payable	185,540	159,379	537,911	450,286
Interest payable	142,029	97,614	185,032	176,959
Dividends payable	200,000	–	350,000	350,000
Deposits received from customers	2,429,386	1,990,796	1,839,541	2,045,956
Amounts due to non-controlling shareholders	717,983	320,569	2,303,163	2,005,861
Other payables and accrued expenses	1,260,500	2,542,217	1,647,004	1,763,704
	10,355,104	13,564,141	17,362,628	15,766,970
	19,328,348	20,203,533	29,935,552	28,077,085

The Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables due to related parties				
– trade related	–	–	7,723	7,784
– non-trade related	8,041,639	13,902,706	18,027,742	19,121,378
	8,041,639	13,902,706	18,035,465	19,129,162
Trade payables to independent third parties	333,869	167,921	445,211	355,231
Interest payable	125,458	83,022	86,315	61,239
Dividends payable	200,000	–	350,000	350,000
Deposits received from customers	317,006	519,292	514,652	309,828
Other payables and accrued expenses	114,997	102,230	36,539	71,030
	1,091,330	872,465	1,432,717	1,147,328
	9,132,969	14,775,171	19,468,182	20,276,490

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

	The Target Group			
				As at
	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-90 days	5,147,781	7,966,757	9,134,025	6,631,457
91-180 days	189,656	237,906	739,244	224,456
181-365 days	94,828	118,953	533,971	1,849,239
Over 365 days	42,489	173,640	644,476	777,136
	5,474,754	8,497,256	11,051,716	9,482,288

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

	The Target Company			
				As at
	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-90 days	332,105	166,056	451,646	86,439
91-180 days	1,176	875	1,288	–
181-365 days	588	438	–	116,042
Over 365 days	–	552	–	160,534
	333,869	167,921	452,934	363,015

30. CONTRACT LIABILITIES

	The Target Group			
				As at
	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of properties	15,139,281	19,498,093	14,565,285	15,280,990

	The Target Company			
				As at
	As at 31 December			**30 June**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of properties	927,018	1,252,445	536,716	773,893

Revenue of RMB8,699,243,000, RMB9,392,533,000, RMB16,262,603,000, RMB4,575,008,000 and RMB3,123,959,000 was recognised during the year ended 31 December 2017, 2018, 2019 and the period ended 30 June 2019 and 2020 that was included in the contract liabilities at the beginning of the year/period respectively.

Contract liabilities, that are expected to be settled within the Target Group's normal operating cycle, are classified as current based on the Target Group's earliest obligation to transfer properties to the customers.

Contract liabilities of RMB2,270,892,000, RMB2,924,714,000, RMB2,184,793,000 and RMB2,292,149,000 as at 31 December 2017, 2018, 2019 and 30 June 2020 are expected to be recognised after more than 12 months from the end of the each reporting period.

The Target Group receives 30% to 70% of the contract value as deposits from customers upon signing the sale and purchase agreement of sales of properties. Such advance payment schemes resulted in contract liabilities being recognised throughout the property construction period.

In addition, the Target Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the relevant group entities. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

31. INTEREST-BEARING LOANS

(i) The Target Group

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured and guaranteed bank loans	1,090,000	1,160,000	–	1,578,390
Secured and unguaranteed bank loans	4,751,640	7,040,540	5,380,130	2,783,000
Unsecured and guaranteed bank loans	8,277,000	2,285,500	1,439,500	1,956,000
Unsecured and unguaranteed bank loans	599,000	812,000	717,000	958,000
	14,717,640	11,298,040	7,536,630	7,275,390
Less: current portion of non-current interest-bearing bank loans	(8,145,920)	(3,997,510)	(4,590,700)	(4,077,360)
Amount shown under non-current liabilities	6,571,720	7,300,530	2,945,930	3,198,030

As at 31 December 2017, 2018, 2019 and 30 June 2020, the Target Group's borrowings amounting to RMB9,367,000,000, RMB3,445,500,000, RMB1,439,500,000 and RMB3,534,390,000 respectively were guaranteed by Greenland Holdings.

The Target Group's borrowings had been secured by the pledge of equity interests of certain subsidiaries of the Target Company and the Target Group's assets and the carrying amounts of the respective assets are as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	–	–	96,669	–
Properties under development	7,135,398	7,727,966	10,590,440	8,916,774
	7,135,398	7,727,966	10,687,109	8,916,774

The loans of the Target Group were repayable based on repayment schedule set out in relevant loan agreements as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	8,145,920	3,997,510	4,590,700	4,077,360
Over one year but not exceeding two years	3,297,090	5,742,400	1,859,700	1,988,300
Over two years but not exceeding five years	3,274,630	1,379,000	1,086,230	1,209,730
Over five years	–	179,130	–	–
	14,717,640	11,298,040	7,536,630	7,275,390

The range of effective interest rates of all variable interest-bearing loans (which are equal to contracted interest rates) are as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
Effective interest rate				
Variable-rate borrowings	4.75%-14.00%	4.75%-6.20%	4.75%-5.94%	4.75%-7.80%

(ii) The Target Company

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured and guaranteed bank loans	1,090,000	570,000	–	628,930
Secured and unguaranteed bank loans	579,130	819,130	679,130	–
Unsecured and guaranteed bank loans	6,469,500	1,929,500	729,500	–
	8,138,630	3,318,630	1,408,630	628,930
Less: current portion of non-current interest-bearing bank loans	(5,640,000)	(1,910,000)	(929,500)	(250,000)
Amount shown under non-current liabilities	2,498,630	1,408,630	479,130	378,930

As at 31 December 2017, 2018, 2019 and 30 June 2020, the Target Company's borrowings amounting to RMB7,559,500,000, RMB2,499,500,000, RMB729,500,000 and RMB628,930,000 respectively were guaranteed by Greenland Holdings.

The Target Company's borrowings had been secured by the pledge of the Target Company's assets and the carrying amounts of the respective assets are as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Properties under development	953,088	660,667	322,250	322,250
Equity interests of certain subsidiaries of the Target Company	563,952	610,752	610,752	610,752
	1,517,040	1,271,419	933,002	933,002

The loans of the Target Company were repayable based on repayment schedule set out in relevant loan agreements as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	5,640,000	1,910,000	929,500	250,000
Over one year but not exceeding two years	1,290,000	929,500	300,000	200,000
Over two years but not exceeding five years	1,208,630	300,000	179,130	178,930
Over five years	–	179,130	–	–
	8,138,630	3,318,630	1,408,630	628,930

The range of effective interest rates of all variable interest-bearing loans (which are equal to contracted interest rates) are as follows:

	As at 31 December			As at 30 June
	2017	2018	2019	2020
Effective interest rate				
Variable-rate borrowings	5.23%-6.20%	4.75%-6.20%	4.75%-5.46%	4.75%-5.23%

32. LEASE LIABILITIES

	As at 31 December			As at 30 June
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	55,495	59,720	81,975	86,118
Over one year but not exceeding two years	58,547	61,796	85,583	101,379
Over two years but not exceeding five years	191,398	203,067	216,493	191,650
Over five years	129,663	63,511	187,920	162,388
	435,103	388,094	571,971	541,535
Less: Amount due for settlement with 12 months shown under current liabilities	(55,495)	(59,720)	(81,975)	(86,118)
Amount due for settlement after 12 months shown under non-current liabilities	379,608	328,374	489,996	455,417

33. ISSUED CAPITAL

	As at 1 January 2017, 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020
	RMB'000
The Target Company	
Issued capital	1,850,000

34. RESERVES

PRC statutory reserves

Transfers from retained earnings to PRC statutory reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Target Company's subsidiaries incorporated in the PRC and were approved by the respective boards of directors. The statutory reserves consist of:

(i) General reserve fund

Transfers from retained earnings to the general reserve fund were made in accordance with the articles of association of the Target Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the general reserve fund can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holdings, provided that the balance after such conversion is not less than 25% of their registered capital.

(ii) Enterprise expansion fund

Transfers from retained earnings to the enterprise expansion fund were made in accordance with the articles of association of the Target Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the enterprise expansion fund can be used for business development purposes. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distribution of dividends to the equity holders.

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Target Group				
Financial assets				
Amortised cost	22,160,585	13,876,398	17,112,715	16,641,916
Financial liabilities				
Amortised cost	32,867,177	29,218,253	35,175,309	33,070,428
The Target Company				
Financial assets				
Amortised cost	8,072,259	6,894,133	8,998,279	9,284,772
Financial liabilities				
Amortised cost	17,071,599	18,093,801	20,526,812	20,555,420

(b) Financial risk management objectives and policies

The Target Group's major financial instruments include bank balances and cash, restricted bank deposits, other financial assets, trade and other receivables, interest-bearing loans, and trade and other payables. Details of the financial instruments are disclosed in respective notes.

The Target Group has exposure to the following risks associated with this financial instruments:

- market risk (including interest rate risk)
- credit risk
- liquidity risk

This note presents information about the Target Group's exposure to each of the above risks, and the Target Group's objectives, policies and processes for measuring and managing risk.

Management has overall responsibility for the establishment and oversight of the Target Group's risk management framework. Management establishes policies to identify and analyse the risks faced by the Target Group, to set up appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Target Group's activities. Through training and management standards and procedures, management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market risk

Interest rate risk

The Target Group is exposed to fair value interest rate risk in relation to fixed-rate other financial assets, bank deposits, bank balances and cash and lease liabilities. (see Notes 26, 27, 28 and 32 for details).

The Target Group is also exposed to cash flow interest rate risk in relation to variable-rate interest-bearing loans (see Note 31(i) for details).

The Target Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. When appropriate and at times of interest rate uncertainty or volatility, interest rate swaps may be used to assist in the Target Group's management of interest rate exposure.

Interest rate profile

(i) The Target Group

The following table details the interest rate profile of the Target Group's interest-bearing borrowings by the end of each reporting period.

	As at 31 December						As at 30 June	
	2017		2018		2019		2020	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Fixed rate borrowings								
Lease liabilities	5.49%-5.67%	435,103	5.49%-5.67%	388,094	5.49%-5.67%	571,971	5.49%-5.67%	541,535
		435,103		388,094		571,971		541,535
Variable rate borrowings								
Secured interest-bearing loans	6.08%	5,841,640	5.41%	8,200,540	5.50%	5,380,130	5.45%	5,311,390
Guaranteed interest-bearing loans	6.05%	8,277,000	5.68%	2,285,500	6.09%	1,439,500	6.30%	1,006,000
Unsecured interest-bearing loans	4.86%	599,000	5.82%	812,000	5.84%	717,000	5.77%	958,000
		14,717,640		11,298,040		7,536,630		7,275,390
Total borrowings		15,152,743		11,686,134		8,108,601		7,816,925
Fixed rate borrowings as a percentage of total borrowings		3%		3%		7%		7%

	As at 31 December						As at 30 June	
	2017		2018		2019		2020	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Bank balances	0.3%-1.5%	7,147,701	0.3%-1.5%	6,988,761	0.3%-1.5%	5,260,746	0.3%-1.5%	4,017,749
Other financial assets	4%	1,153,305	4%	577,651		–		–

(ii) The Target Company

The following table details the interest rate profile of the Target Company's interest-bearing borrowings by the end of each reporting period.

	As at 31 December						As at 30 June	
	2017		2018		2019		2020	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Variable rate borrowings								
Secured interest-bearing loans	5.22%	1,669,130	5.35%	1,389,130	4.89%	679,130	4.86%	628,930
Guaranteed interest-bearing loans	6.21%	6,469,500	5.75%	1,929,500	5.43%	729,500	–	–
Total borrowings		8,138,630		3,318,630		1,408,630		628,930

	As at 31 December						As at 30 June	
	2017		2018		2019		2020	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Bank balances	1.2%	546,232	1.2%	185,571	1.2%	185,774	1.2%	107,039

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing loans at the end of each reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of each reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the market lending interest rates had been 100 basis points higher/lower and all other variables were held constant, the Target Group's post-tax profit for the year ended 31 December 2017, 2018, 2019 and for the six months ended 30 June 2020 would have decreased/increased by RMB110,382,000, RMB84,735,000, RMB56,525,000 and RMB54,565,000 respectively. This is mainly attributable to the Target Group's exposure to interest rates on its variable-rate interest-bearing loans, and the Target Company's post-tax profit for the years ended 31 December 2017, 2018, 2019 and the six months ended 30 June 2020 would have decreased/increased by RMB61,040,000, RMB24,890,000, RMB10,565,000 and RMB4,717,000 respectively. This is mainly attributable to the Target Group's exposure to interest rates on its variable-rate interest-bearing loans.

Credit risk and impairment assessment

As at 31 December 2018, 2019 and 30 June 2020, the Target Group's maximum exposure to credit risk which will cause a financial loss to the Target Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Target Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Target Group as disclosed in Note 37.

The Target Group's credit risk is primarily attributable to trade receivables (including lease receivables), other receivables, bank balances and amount of contingent liabilities in relation to the financial guarantees provided by the Target Group.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the Target Group has policies in place to ensure that sales are made to customers with an appropriate financial strength and/or appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Target Group performs impairment assessment incurred loss model under IAS 39 for 2017 and under ECL model upon application of IFRS 9 for 2018, 2019 and 30 June 2020 on trade balances individually or based on provision matrix. In this regard, the director of the Target Company considers that the Target Group's credit risk is significantly reduced.

As at 31 December 2017, 2018, 2019 and 30 June 2020, the Target Group has concentration of credit risk as 19%, 84%, 84% and 84% respectively and 30%, 98%, 98% and 95% of the total trade receivables was due from the Target Group's largest customer and the five largest customers respectively within the sales of properties segment.

Other receivables

For other receivables, the director of the Target Company makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Target Group also actively monitors the outstanding amounts owed by each debtor and uses internal credit rating to assess whether credit risk has increased significantly since initial recognition. The Target Group has concentration of credit risk from amounts due from Greenland Holdings of RMB9,190,589,000, RMB662,294,000, RMB5,699,719,000 and RMB5,814,714,000 as at 31 December 2017, 2018, 2019 and 30 June 2020.

Bank balances and cash, restricted bank deposits and other financial assets

Bank balances and cash, restricted bank deposits and other financial assets are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions, therefore the Target Group's credit risk on liquid funds is limited.

Contingent liabilities in relation to the financial guarantees

For properties that are still under construction, the Target Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties. If a customer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Target Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Target Group is able to retain the customer's deposits and sell the property to recover any amounts paid by the Target Group to the bank. Unless the selling price drop significantly, which the probability is remote, the Target Group would not be in a loss position in selling those properties out. In this regard, the director of the Target Company considers that the Target Group's credit risk in relation to financial guarantees from mortgage loans is largely mitigated.

The Target Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due date but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficult and the Target Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

The tables below detail the credit risk exposures of the Target Group's financial assets and financial guarantee contracts which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	As at 31 December 2018 Gross carrying amount *RMB'000*	As at 31 December 2019 Gross carrying amount *RMB'000*	As at 30 June 2020 Gross carrying amount *RMB'000*
Financial assets at amortised cost							
Trade receivables *(Note iii)*	23	N/A	Note iii	Lifetime ECL (provision matrix)	17,107	41,113	62,740
			Low risk	Lifetime ECL	91,516	1,314,705	1,067,285
					108,623	1,355,818	1,130,025
Other receivables *(Note i)*	23	N/A	Low risk	12m ECL	6,073,303	10,302,322	10,644,286
			Watch list	12m ECL	150,103	278,988	914,454
			Doubtful	Lifetime ECL - not credit-impaired	8,683	8,657	48,650
			Loss	Lifetime ECL - credit -impaired	136,154	136,154	137,020
					6,368,243	10,726,121	11,744,410
Bank balances and cash	28	A3 – Aaa	N/A	12m ECL	6,400,314	4,718,144	3,082,436
Restricted bank deposits	27	A3 – Aaa	N/A	12m ECL	588,447	542,602	935,313
Other financial assets	26	A3 – Aaa	N/A	12m ECL	577,651	–	–
Other items							
Financial guarantee contracts *(Note ii)*	37	N/A	N/A	12m ECL	9,038,889	11,168,986	10,739,844

Notes:

(i) As part of the Target Group's credit risk management, the ECL of other receivables were assessed individually.

Internal credit rating	As at 31 December 2018 Average loss rate	2018 Other receivables *RMB'000*	As at 31 December 2019 Average loss rate	2019 Other receivables *RMB'000*	As at 30 June 2020 Average loss rate	2020 Other receivables *RMB'000*
Low risk	0.31%-0.53%	6,073,303	0.35%-0.63%	10,302,322	0.34%-0.60%	10,644,286
Watch list	3.21%	150,103	3.75%	278,988	3.57%	914,454
Doubtful	6.28%	8,683	7.37%	8,657	7.23%	48,650
Loss	100%	136,154	100%	136,154	100%	137,020
		6,368,243		10,726,121		11,744,410

During the year ended 31 December 2018, 2019 and the six month ended 30 June 2020, the Target Group reversed and provided RMB1,067,000, RMB35,343,000 and RMB25,713,000 impairment allowance for other receivables, based on the internal credit rating respectively.

(ii) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Target Group has guaranteed under the respective contracts. The maximum amount that the Target Group has guaranteed under the respective contracts was RMB9,038,889,000, RMB11,168,986,000 and RMB10,739,844,000 as at 31 December 2018, 2019 and the six month ended 30 June 2020. At the end of each reporting period, the director of the Target Company has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Target Group is measured at an amount equal to 12m ECL. The director of the Target Company considered that the 12m ECL allowance is insignificant during the year ended 31 December 2018, 2019 and the six month ended 30 June 2020.

(iii) For trade receivables (including lease receivables), the Target Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Target Group determines the ECL on these items by using a provision matrix, grouped by past due status.

As part of the Target Group's credit risk management, the Target Group uses debtors' aging to assess the impairment for its customers in relation to its property sales and other services because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit impaired). Debtors with significant outstanding balances with gross carrying amounts of RMB91,516,000, RMB1,314,705,000 and RMB1,067,285,000 respectively as at 31 December 2018, 2019 and 30 June 2020 were assessed individually.

	As at 31 December				**As at 30 June**	
	2018		**2019**		**2020**	
	Average loss rate	**Trade receivables**	**Average loss rate**	**Trade receivables**	**Average loss rate**	**Trade receivables**
		RMB'000		*RMB'000*		*RMB'000*
Gross carrying amount						
Within 90 days	6.08%	13,569	3.95%	20,223	2.71%	12,143
91-180 days	6.15%	1,482	3.97%	1,113	2.72%	2,044
181-365 days	6.15%	2,056	3.97%	6,294	2.76%	40,686
More than 365 days	8.72%	–	4.92%	13,483	3.28%	7,867
		17,107		41,113		62,740

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the year ended 31 December 2018 and 2019 and the six months ended 30 June 2020, the Target Group provided RMB870,000, RMB715,000 and RMB6,000 impairment allowance for trade receivables based on the provision matrix and provided RMB1,773,000, RMB27,032,000 and reversed RMB5,421,000 impairment allowance for trade receivables based on the individual assessment.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Trade receivables Lifetime ECL (not credit-impaired) *RMB'000*
As at 31 December 2017 under IAS 39	209
Adjustment upon application of IFRS 9	(36)
As at 1 January 2018 – As restated	173
Impairment losses recognised	1,109
New financial assets originated or purchased	1,534
As at 31 December 2018	2,816
Impairment losses recognised	173
New financial assets originated or purchased	27,574
As at 31 December 2019	30,563
Impairment losses reversed	(28,667)
New financial assets originated or purchased	23,252
As at 30 June 2020	25,148

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 31 December 2017 under IAS 39	5,899	–	13,581	19,480
Adjustment upon application of IFRS 9	93,078	–	52,573	145,651
As at 1 January 2018 - As restated	98,977	–	66,154	165,131
Impairment losses (reversed) recognised	(75,119)	38	–	(75,081)
New financial assets originated or purchased	4,014	–	70,000	74,014
Transferred to lifetime ECL	(507)	507	–	–
As at 31 December 2018	27,365	545	136,154	164,064
Impairment losses recognised	4,073	13	–	4,086
New financial assets originated or purchased	31,257	–	–	31,257
Transferred to lifetime ECL	(80)	80	–	–
As at 31 December 2019	62,615	638	136,154	199,407
Impairment losses recognised (reversed)	280	(12)	–	268
New financial assets originated or purchased	25,445	–	–	25,445
Transferred	(2,892)	2,892	–	–
As at 30 June 2020	85,448	3,518	136,154	225,120

Debtors of the Target Company with significant outstanding balance with a gross carrying amount of RMB6,638,535,000, RMB8,755,581,000 and RMB9,028,692,000 for amounts due from subsidiaries was assessed individually as at 31 December 2018 and 2019 and 30 June 2020 respectively, and amount of RMB140,096,000, RMB129,312,000 and RMB221,445,000 for other receivables was assessed individually as at 31 December 2018 and 2019 and 30 June 2020 respectively.

The Target Company provided accumulated ECL impairment loss for amounts due from subsidiaries and other receivables amounting to RMB70,069,000, RMB72,388,000 and RMB72,404,000 as at 31 December 2018 and 2019 and 30 June 2020.

Liquidity risk

Liquidity risk is the risk that the Target Group will not be able to meet its financial obligations as they fall due. The Target Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Target Group's short-, medium- and long- term funding and liquidity management requirements. The Target Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Target Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay.

	Weighted average effective interest rate	Within 1 year or on demand	Within 2 years but over 1 year	Within 5 years but over 2 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Target Group							
31 December 2017							
Trade and other payables	–	18,149,537	–	–	–	18,149,537	18,149,537
Variable interest rate loans	6.01	8,669,052	3,570,898	3,340,551	–	15,580,501	14,717,640
Lease liabilities	5.49-5.67	78,021	78,021	230,126	150,686	536,854	435,103
Financial guarantees issued: Maximum amount guaranteed	–	8,340,531	–	–	–	8,340,531	–
		35,237,141	3,648,919	3,570,677	150,686	42,607,423	33,302,280
31 December 2018							
Trade and other payables	–	17,920,213	–	–	–	17,920,213	17,920,213
Variable interest rate loans	5.49	4,074,664	6,219,128	1,658,542	210,721	12,163,055	11,298,040
Lease liabilities	5.49-5.67	79,615	78,478	232,053	79,927	470,073	388,094
Financial guarantees issued: Maximum amount guaranteed	–	9,038,889	–	–	–	9,038,889	–
		31,113,381	6,297,606	1,890,595	290,648	39,592,230	29,606,347
31 December 2019							
Trade and other payables	–	27,638,679	–	–	–	27,638,679	27,638,679
Variable interest rate loans	5.64	4,844,211	2,022,193	1,332,440	–	8,198,844	7,536,630
Lease liabilities	5.49-5.67	111,418	110,448	263,275	218,248	703,389	571,971
Financial guarantees issued: Maximum amount guaranteed	–	11,168,986	–	–	–	11,168,986	–
		43,763,294	2,132,641	1,595,715	218,248	47,709,898	35,747,280
30 June 2020							
Trade and other payables	–	25,795,038	–	–	–	25,795,038	25,795,038
Variable interest rate loans	5.61	4,320,983	2,128,780	1,472,983	–	7,922,746	7,275,390
Lease liabilities	5.49-5.67	111,051	110,213	246,434	201,127	668,825	541,535
Financial guarantees issued: Maximum amount guaranteed	–	10,739,844	–	–	–	10,739,844	–
		40,966,916	2,238,993	1,719,417	201,127	45,126,453	33,611,963

	Weighted average effective interest rate %	Within 1 year or on demand *RMB'000*	Within 2 years but over 1 year *RMB'000*	Within 5 years but over 2 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*	Carrying amount *RMB'000*
The Target Company							
31 December 2017							
Trade and other payables		8,932,969	–	–	–	8,932,969	8,932,969
Variable interest rate loans	6.01%	5,977,791	1,405,593	877,950	–	8,261,334	8,138,630
Financial guarantees issued: Maximum amount guaranteed		1,057,710	–	–	–	1,057,710	–
		15,968,470	1,405,593	877,950	–	18,203,222	17,071,599
31 December 2018							
Trade and other payables		14,775,171	–	–	–	14,775,171	14,775,171
Variable interest rate loans	5.58%	1,875,496	789,771	–	210,721	2,875,988	3,318,630
Financial guarantees issued: Maximum amount guaranteed		1,057,710	–	–	–	1,057,710	–
		17,708,377	789,771	–	210,721	18,708,869	18,093,801
31 December 2019							
Trade and other payables		19,118,182	–	–	–	19,118,182	19,118,182
Variable interest rate loans	5.17%	979,122	322,357	210,721	–	1,512,200	1,408,630
Financial guarantees issued: Maximum amount guaranteed		1,057,710	–	–	–	1,057,710	–
		21,155,014	322,357	210,721	–	21,688,092	20,526,812
30 June 2020							
Trade and other payables		19,926,490	–	–	–	19,926,490	19,926,490
Variable interest rate loans	4.86%	262,588	209,500	210,486	–	682,574	628,930
Financial guarantees issued: Maximum amount guaranteed		21,405	–	–	–	21,405	–
		20,210,483	209,500	210,486	–	20,630,469	20,555,420

The amounts included above for financial guarantee contracts are the maximum amounts the Target Group and the Target Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of each reporting period, the Target Group considers that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that entities in the Target Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Target Group's overall strategy remains unchanged during the Track Record Period.

Consistent with industry practice, the Target Group monitors its capital structure on the basis of a net gearing ratio (total interest-bearing loans less cash and cash equivalents (including restricted cash) over total equity). Therefore, the Target Group defined debts as interest-bearing loans.

The Target Group's risk management committee reviews the capital structure of the Target Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at end of each reporting period was as follows:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Debts	14,717,640	11,298,040	7,536,630	7,275,390
Restricted bank deposits and bank balances and cash	(7,147,701)	(6,988,761)	(5,260,746)	(4,017,749)
Net debts	7,569,939	4,309,279	2,275,884	3,257,641
Equity	4,438,484	3,929,619	6,357,945	6,857,667
Net debts to equity ratio	171%	110%	36%	48%

37. CONTINGENT LIABILITIES

At the end of each reporting period, the Target Group has issued the following guarantees:

The Target Group has arranged mortgage loan facilities for certain purchasers of property units and provided financial guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB8,340,531,000, RMB9,038,889,000, RMB11,168,986,000 and RMB10,739,844,000 as at 31 December 2017, 2018, 2019 and 30 June 2020. The Target Company has provided financial guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB1,057,710,000, RMB1,057,710,000, RMB1,057,710,000 and RMB21,405,000 as at 31 December 2017, 2018, 2019 and 30 June 2020.

Such guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificate which will generally be available within six months after the buyer takes possession of the relevant properties; and (ii) the satisfaction of the mortgaged loan by the buyer of the properties.

In the opinion of the director of the Target Company, the fair values of the financial guarantee contracts of the Target Group are insignificant at initial recognition and the director considers the possibility of default by the parties involved to be remote. Accordingly, no value has been recognised in the statements of financial position as at 31 December 2017, 2018, 2019 and 30 June 2020.

38. OPERATING LEASE

The Target Group as lessor

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Property rental income, net of negligible outgoings under operating leases during the year	18,837	57,859	62,685	26,867	41,236

At the end of each reporting period, the Target Group had contracted with tenants for the following future minimum lease payments:

	As at 31 December			As at 30 June
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	17,960	30,444	77,821	79,330
In the second to fifth year inclusive	40,414	84,786	283,097	264,679
Over five years	12,111	28,089	512,570	490,660
Total	70,485	143,319	873,488	834,669

Property rental income represents rentals receivable by the Target Group. Leases are negotiated for a term ranging from 1 to 20 years with fixed rentals.

At the end of each reporting period, the Target Company has no operating lease arrangement.

39. RELATED-PARTY DISCLOSURES

(i) During the year, the Target Group entered into the following transactions with related parties:

	Year ended 31 December			Six months ended 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Services income receivable from a joint venture	–	23,491	33,853	–	–
Construction services provided by Greenland Holdings' subsidiaries	547,583	878,718	869,816	319,243	380,919

(ii) As at the end of each reporting period, the Target Group had balances with related parties, which are all unsecured, as follows:

	As at 31 December 2017		
	Project-related	**Non-project related**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from			
Greenland Holdings	–	9,190,589	9,190,589
Greenland Holdings' subsidiaries other than the Target Group	824	110,950	111,774
Joint ventures	–	381,244	381,244
	824	9,682,783	9,683,607
Amounts due to			
Greenland Holdings	–	7,446,912	7,446,912
Greenland Holdings' subsidiaries other than the Target Group	55,088	792,711	847,799
Joint ventures	–	678,533	678,533
	55,088	8,918,156	8,973,244

	As at 31 December 2018		
	Project-related	**Non-project related**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from			
Greenland Holdings	–	662,294	662,294
Greenland Holdings' subsidiaries other than the Target Group	91,230	1,009,011	1,100,241
	91,230	1,671,305	1,762,535
Amounts due to			
Greenland Holdings	–	4,202,102	4,202,102
Greenland Holdings' subsidiaries other than the Target Group	43,690	806,459	850,149
Joint ventures	–	1,587,141	1,587,141
	43,690	6,595,702	6,639,392

	As at 31 December 2019		
	Project-related	Non-project related	Total
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from			
Greenland Holdings	–	5,699,719	5,699,719
Greenland Holdings' subsidiaries other than the Target Group	10,916	163,708	174,624
	10,916	5,863,427	5,874,343
Amounts due to			
Greenland Holdings	–	9,617,851	9,617,851
Greenland Holdings' subsidiaries other than the Target Group	551,739	454,964	1,006,703
Joint ventures	–	1,948,370	1,948,370
	551,739	12,021,185	12,572,924

	As at 30 June 2020		
	Project-related	Non-project related	Total
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from			
Greenland Holdings	–	5,814,714	5,814,714
Greenland Holdings' subsidiaries other than the Target Group	20,382	324,659	345,041
	20,382	6,139,373	6,159,755
Amounts due to			
Greenland Holdings	–	9,246,465	9,246,465
Greenland Holdings' subsidiaries other than the Target Group	508,084	640,930	1,149,014
Joint ventures	–	1,914,636	1,914,636
	508,084	11,802,031	12,310,115

The non-project related balances with related parties are mainly unsecured advances and have no fixed payment terms.

(iii) Compensation of key management personnel

Remuneration for key management personnel was as follows:

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Salaries and bonus	14,351	10,251	11,673	4,759	3,842

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Target Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Target Group's consolidated statements of cash flows as cash flows from financing activities:

	Interest-bearing loans	Amounts due to related parties	Amounts due to non-controlling shareholders	Lease liabilities	Interest payable
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	15,813,600	6,273,094	1,144,089	490,206	140,384
New leases entered	–	–	–	3,896	–
Financing cash flows	(1,095,960)	2,645,062	(426,107)	(77,758)	(1,305,989)
Interest expenses	–	–	–	18,759	1,307,634
At 31 December 2017	14,717,640	8,918,156	717,982	435,103	142,029
Financing cash flows	(3,419,600)	(2,322,454)	(397,413)	(79,381)	(858,302)
New leases entered	–	–	–	9,401	–
Interest expenses	–	–	–	22,971	813,887
At 31 December 2018	11,298,040	6,595,702	320,569	388,094	97,614
Financing cash flows	(3,761,410)	5,425,483	1,982,594	(96,085)	(476,402)
New leases entered	–	–	–	253,288	–
Interest expenses	–	–	–	26,674	563,820
At 31 December 2019	7,536,630	12,021,185	2,303,163	571,971	185,032
Financing cash flows	(261,240)	(219,154)	(297,302)	(52,646)	(264,230)
New leases entered	–	–	–	6,820	–
Interest expenses	–	–	–	15,390	256,157
At 30 June 2020	7,275,390	11,802,031	2,005,861	541,535	176,959
At 1 January 2019	11,298,040	6,595,702	320,569	388,094	97,614
Financing cash flows	(1,751,600)	3,735,166	1,057,898	(35,503)	(318,073)
New leases entered	–	–	–	–	–
Interest expenses	–	–	–	10,259	278,878
At 30 June 2019 (unaudited)	9,546,440	10,330,868	1,378,467	362,850	58,419

41. STATEMENT OF CHANGES IN EQUITY OF THE TARGET COMPANY

	PRC statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2017	71,535	(139,838)	(68,303)
Loss and total comprehensive expense for the year	–	(550,397)	(550,397)
At 31 December 2017	71,535	(690,235)	(618,700)
Profit and total comprehensive income for the year	–	605,005	605,005
Dividends recognised as distribution	–	(953,520)	(953,520)
At 31 December 2018	71,535	(1,038,750)	(967,215)
Profit and total comprehensive income for the year	–	1,219,581	1,219,581
Dividends recognised as distribution	–	(350,000)	(350,000)
At 31 December 2019	71,535	(169,169)	(97,634)
Profit and total comprehensive income for the period	–	22,433	22,433
At 30 June 2020	71,535	(146,736)	(75,201)
At 1 January 2019	71,535	(1,038,750)	(967,215)
Profit and total comprehensive income for the period	–	587,835	587,835
At 30 June 2019 (unaudited)	71,535	(450,915)	(379,380)

42. INTERESTS IN SUBSIDIARIES

All of the subsidiaries of the Target Company are incorporated and operated in the PRC. Details of the Target Company's subsidiaries as at 31 December 2017, 2018, 2019 and 30 June 2020 are as follows:

Name of subsidiary	Principal activities	Paid up capital	Date of incorporation	Proportion of ownership interest and voting power held by the Target Company as at 31 December, 30 June and date of report				
				As at 31 December			As at 30 June	Date of
				2017	2018	2019	2020	report
Guangzhou Greenland Real Estate Development Co., Ltd.	Property development, sales and lease	RMB1,850,000,000	11 Jan 2011	100%	100%	100%	100%	100%
Guangzhou Lingyue Market Management Co., Ltd	Property development, sales and lease	RMB325,000,000	16 Nov 2011	100%	100%	100%	100%	100%
Guangzhou Haizhu Greenland Real Estate Development Co., Ltd	Property development, sales and lease	RMB227,000,000	29 Feb 2012	100%	100%	100%	100%	100%
Greenland Group Foshan Chancheng Real Estate Co., Ltd	Property development, sales and lease	RMB1,155,000,000	10 Sep 2012	100%	100%	100%	100%	100%
Greenland Group Foshan Shunde Real Estate Co., Ltd	Property development, sales and lease	RMB483,000,000	15 Nov 2012	100%	100%	100%	100%	100%
Guangzhou Jierui Real Estate Co., Ltd	Property development, sales and lease	RMB1,023,380,000	25 Apr 2013	70%	70%	70%	70%	70%
Guangzhou Greenland Huadu Real Estate Co., Ltd	Property development, sales and lease	RMB570,000,000	11 Oct 2013	100%	100%	100%	100%	100%
Guangzhou Haoxin Real Estate Development Co., Ltd	Property development, sales and lease	RMB1,000,000	21 Oct 2013	100%	100%	100%	100%	100%
Guangzhou Nanrui Real Estate Co., Ltd	Property development, sales and lease	RMB1,000,000	21 Oct 2013	100%	100%	100%	100%	100%
Foshan Jiayi Real Estate Co., Ltd	Property development, sales and lease	RMB10,000,000	03 Jan 2014	70%	70%	70%	70%	70%
Foshan Bosheng Real Estate Co., Ltd	Property development, sales and lease	RMB510,000,000	14 Jan 2014	65%	100% *(note ii)*	100%	100%	100%

Name of subsidiary	Principal activities	Paid up capital	Date of incorporation	Proportion of ownership interest and voting power held by the Target Company as at 31 December, 30 June and date of report				
				As at 31 December			As at 30 June	Date of report
				2017	2018	2019	2020	
Greenland Group Foshan Shunde Lvan Real Estate Co., Ltd	Property development, sales and lease	RMB550,000,000	26 Jan 2014	100%	100%	100%	100%	100%
Dongguan Hongjing Real Estate Co., Ltd	Property development, sales and lease	RMB10,000,000	28 May 2014	60%	60%	60%	60%	60%
Foshan Nanhai Wanrui Investment Co., Ltd	Property development, sales and lease	RMB1,092,960,000	31 Oct 2013	50% *(note iii)*	50% *(note iii)*	50% *(note iii)*	50% *(note iii)*	50% *(note iii)*
Guangdong Greenland Investment Co., Ltd	Business investment, management service	RMB500,000,000	11 Apr 2013	100%	100%	100%	100%	100%
Guangzhou Mantingfang Real Estate Development Co., Ltd	Property development, sales and lease	RMB682,332,442	14 Mar 2014	60%	60%	60%	60%	60%
Guangzhou Feilengcui Real Estate Development Co., Ltd	Property development, sales and lease	RMB444,835,665	14 Mar 2014	60%	60%	60%	60%	60%
Guangzhou Greenland Commercial Assets Management Co., Ltd	Business investment, management service	– *(Note i)*	17 Mar 2015	100%	100%	100%	100%	100%
Shenzhen Yujuanlong Investment Co., Ltd	Information transmission, software and information technology service	RMB700,000,000	18 Jan 2010	67%	67%	67%	67%	67%
Foshan Lvxuan Real Estate Co., Ltd	Property development, sales and lease	RMB402,990,000	02 Mar 2016	100%	100%	100%	100%	100%
Guangzhou Greenport Real Estate Development Co., Ltd	Property development, sales and lease	RMB400,000,000	11 Apr 2016	70%	70%	70%	70%	70%
Foshan Liya Cuihu Shangzhu Real Estate Development Co., Ltd	Property development, sales and lease	RMB200,000,000	16 Jan 2014	70%	70%	70%	70%	70%
Guangzhou Zengxuan Real Estate Development Co., Ltd	Property development, sales and lease	RMB1,760,930,000	25 Nov 2016	100%	100%	100%	100%	100%
Guangzhou Taiwei Real Estate Development Co., Ltd	Property development, sales and lease	RMB1,561,800,000	05 Dec 2016	100%	100%	100%	100%	100%
Guangzhou Lvyue Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	27 Apr 2017	100%	100%	100%	100%	100%
Guangzhou Lvhui Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	28 Apr 2017	100%	100%	100%	100%	100%
Guangzhou Lvwei Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	27 Apr 2017	100%	100%	100%	100%	100%
Jiangmen Lvxiao Real Estate Development Co., Ltd	Property development, sales and lease	RMB563,952,000	28 Jun 2017	100%	100%	100%	100%	100%
Foshan ShenTeng Decoration Co., Ltd	Construction decoration service	– *(Note i)*	12 Oct 2017	70%	70%	70%	70%	70%
Guangzhou Xinyue Engineering Management Co., Ltd	Scientific research and technical service	RMB5,000,000	23 Oct 2017	60%	60%	60%	60%	60%
Zhanjiang Pilot Real Estate Development Co., Ltd	Property development, sales and lease	RMB52,000,000	19 Jun 1993	90%	90%	90%	90%	90%
Shantou Greenland Investment Real Estate Co., Ltd	Property development, sales and lease	– *(Note i)*	20 Nov 2017	100%	100%	100%	100%	100%
Lusheng Real Estate Development Co., Ltd. of Shenzhen Shantou Special Cooperation Zone	Property development, sales and lease	– *(Note i)*	10 Jan 2018	N/A	100%	100%	100%	100%
Dongguan New Green Real Estate Co., Ltd	Property development, sales and lease	– *(Note i)*	07 Sep 2017	–	100%	100%	100%	100%
Yangjiang Lvwan Real Estate Development Co., Ltd	Property development, sales and lease	RMB360,000,000	07 Feb 2018	N/A	100%	100%	100%	100%
Guangzhou Lvjie Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	27 Apr 2017	100%	100%	100%	100%	100%
Guangzhou Lvrui Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	20 Apr 2017	100%	100%	100%	100%	100%

Name of subsidiary	Principal activities	Paid up capital	Date of incorporation	Proportion of ownership interest and voting power held by the Target Company as at 31 December, 30 June and date of report				
				As at 31 December			As at 30 June	Date of report
				2017	2018	2019	2020	
Yangjiang Lvhao Real Estate Development Co., Ltd	Property development, sales and lease	RMB387,500,000	07 Feb 2018	N/A	100%	100%	100%	100%
Yangjiang Lvpan Real Estate Development Co., Ltd	Property development, sales and lease	RMB602,000,000	07 Feb 2018	N/A	100%	100%	100%	100%
Jiangmen Lvrui Real Estate Development Co., Ltd ("Jiangmen Lvrui")	Property development, sales and lease	RMB867,319,458	28 Jun 2018	–	100%	100%	100%	100%
Maoming Lvming Real Estate Development Co., Ltd	Property development, sales and lease	RMB710,340,000	09 Oct 2018	N/A	100%	100%	100%	100%
Guangzhou Lvlong Real Estate Development Co., Ltd	Property development, sales and lease	RMB10,000,000	16 Jan 2019	N/A	N/A	60%	60%	60%
Baiyun Greenland Center No. 2 Branch of Guangzhou Greenland Commercial Assets Management Co., Ltd	Leasing and business service	– *(Note i)*	30 Sep 2015	–	–	100%	100%	100%
Baiyun Greenland Center Store of Guangzhou Greenland Commercial Assets Management Co., Ltd	Leasing and business service	– *(Note i)*	20 Apr 2015	–	–	100%	100%	100%
Qingyuan Guangqing Real Estate Development Co., Ltd	Property development, sales and lease	RMB300,000,000	09 Apr 2019	N/A	N/A	60%	60%	60%
Guangzhou Lvkong Real Estate Co., Ltd	Property development, sales and lease	RMB500,000,000	12 Jun 2019	N/A	N/A	51%	51%	51%
Guangzhou Yuexin Business Management Co., Ltd	Leasing and business service	– *(Note i)*	05 Jul 2019	N/A	N/A	60%	60%	60%
Jieyang Lvhao Real Estate Development Co., Ltd	Property development, sales and lease	– *(Note i)*	20 Jun 2019	N/A	N/A	100%	100%	100%
Foshan Gaoming Lvrui Real Estate Co., Ltd	Property development, sales and lease	– *(Note i)*	17 Jul 2019	N/A	N/A	70%	70%	70%

Note:

(i) Up to 30 June 2020, the issued capital of these subsidiaries have not been paid.

(ii) The Target Company acquired 35% equity interest of Foshan Bosheng Real Estate Co., Ltd at a total cash consideration of RMB307,009,000.

(iii) The Target Group has the right to appoint a majority of directors to the board of directors. Hence the Target Group has the power over the entity and has the ability to use its power to affect its returns. Therefore, the entity is accounted for as subsidiaries of the Target Company.

(iv) In 2018, the Target Group completed the acquisition of 100% equity interest in Jiangmen Lvrui from an independent party. Jiangmen Lvrui Home is principally engaged in property development business and was acquired so as to continue the expansion of the Target Group's business in property management. The Target Group accounted for the acquisition of the 100% of issued share capital of the Jiangmen Lvrui as an acquisition of asset.

The statutory financial statements of the Target Company and its subsidiaries for the year ended 31 December 2017, 2018 and 2019 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by 瑞華會計師事務所 (特殊普通合夥) for the year ended 31 December 2017 and 2018, and WUYIGE Certified Public Accountants LLP 大信會計師事務所 (特殊普通合夥) for the year ended 31 December 2019 respectively, certified public accountants registered in the PRC.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Group, the Target Company or any of its subsidiaries have been prepared in respect of any period subsequent to 30 June 2020.

A UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1 Introduction

The following unaudited pro forma financial information has been prepared by Greenland Hong Kong Holdings Limited (the "Company") to illustrate (a) the financial position of the Company and its subsidiaries (hereinafter collectively referred to as the "Group"), including the Guangzhou Greenland Real Estate Development Co., Ltd (廣州綠地房地產開發有限公司) (the "Target Company") and its subsidiaries (hereinafter collectively referred to as the "Target Group") (together with the Group hereinafter referred to as the "Enlarged Group") as if the proposed acquisition of the Target Group (the "Proposed Acquisition") had been completed on 30 June 2020; and (b) the financial performance and cash flows of the Enlarged Group as if the Proposed Acquisition had been completed on 1 January 2019. Details of the Proposed Acquisition are set out in the section headed "Letter from the Board" contained in this Circular.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared in accordance with Paragraph 4.29 of the Listing Rules and is for illustrating the financial position of the Target Group as if the Proposed Acquisition had been completed on 30 June 2020 on which no review report has been published; and the financial performance and cash flows of the Enlarged Group as if the Proposed Acquisition had been completed on 1 January 2019.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based upon (i) the Group's unaudited consolidated statement of financial position as at 30 June 2020 as extracted from the Company's published interim report for six months ended 30 June 2020 and the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Group for the year ended 31 December 2019 as extracted from the Group's annual report for the year ended 31 December 2019; and (ii) the Target Group's audited consolidated statement of financial position as at 30 June 2020 and consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows for the year ended 31 December 2019 as extracted from the accountants' report set out in Appendix II to this Circular, and adjusted on a pro forma basis to reflect the effects of the Proposed Acquisition. These pro forma adjustments are (i) directly attributable to the Proposed Acquisition; and (ii) factually supportable.

The Unaudited Pro Forma Financial Information of the Enlarged Group is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, it may not give a true picture of financial position of the Enlarged Group had the Proposed Acquisition been completed as at 30 June 2020 to or at any future dates, and it may not give a true picture of the financial performance or cash flows of the Enlarged Group had the Proposed Acquisition been completed as at 1 January 2019 or for any future periods, whichever are applicable.

The unaudited pro forma financial information of the Enlarged Group should be read in conjunction with the "Financial information of the Group" set forth in Appendix I to this Circular, the accountants report of consolidated financial information of the Target Group set forth in Appendix II to this Circular and other information included elsewhere in this Circular.

2a Unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020

	The Group (unaudited)	The Target Group (audited)	Unaudited pro forma adjustments #1	#2	#3	The Enlarged Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
ASSETS						
Non-current Assets						
Investment properties	10,595,000	1,022,000				11,617,000
Property, plant and equipment	1,129,754	98,758				1,228,512
Intangible assets	1,184	–				1,184
Right-of-use assets	71,534	6,453				77,987
Equity instruments at fair value through other comprehensive income	313,602	–				313,602
Interests in associates	189,275	–				189,275
Interests in joint ventures	624,988	1,868,435				2,493,423
Deferred tax assets	753,484	681,445				1,434,929
Restricted bank deposits	398,400	–				398,400
Total non-current assets	**14,077,221**	**3,677,091**				**17,754,312**
Current Assets						
Properties under development	49,044,145	29,235,178				78,279,323
Completed properties held for sale	8,807,105	7,389,393				16,196,498
Trade and other receivables and advance deposits	24,258,895	14,539,451	3,620,000	(4,089,708)		38,328,638
Tax recoverable	1,458,364	1,027,709				2,486,073
Contract assets	825,119	–				825,119
Contract costs	169,378	118,239				287,617
Restricted bank deposits	3,888,932	935,313				4,824,245
Bank balances and cash	6,045,623	3,082,436			(21,984)	9,106,075
Total current assets	**94,497,561**	**56,327,719**				**150,333,588**
Total assets	**108,574,782**	**60,004,810**				**168,087,900**

	The Group (unaudited)	The Target Group (audited)	Unaudited pro forma adjustments #1	#2	#3	The Enlarged Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
ASSETS						
EQUITY AND LIABILITIES						
Equity						
Share capital	1,132,097	1,850,000	(1,850,000)			1,132,097
Reserves	11,339,074	347,549	(1,790,000)		(21,984)	9,874,639
Equity attributable to owners of the Company	12,471,171	2,197,549				11,006,736
Perpetual securities	788,660	–				788,660
Non-controlling interests	3,602,637	4,660,118				8,262,755
Total equity	**16,862,468**	**6,857,667**				**20,058,151**
LIABILITIES						
Non-current liabilities						
Lease liabilities	748	455,417				456,165
Interest-bearing loans	9,083,151	3,198,030				12,281,181
Bonds	2,120,317	–				2,120,317
Deferred tax liabilities	1,460,662	60,798				1,521,460
Total non-current liabilities	**12,664,878**	**3,714,245**				**16,379,123**
Current Liabilities						
Trade and other payables	33,859,900	28,077,085	7,260,000	(4,089,708)		65,107,277
Contract liabilities	37,114,772	15,280,990				52,395,762
Interest-bearing loans	5,546,261	4,077,360				9,623,621
Tax payable	2,523,255	1,911,345				4,434,600
Lease liabilities	3,248	86,118				89,366
Total current liabilities	**79,047,436**	**49,432,898**				**131,650,626**
Total liabilities	**91,712,314**	**53,147,143**				**148,029,749**
Net current assets	**15,450,125**	**6,894,821**				**18,682,962**
Total equity and liabilities	**108,574,782**	**60,004,810**				**168,087,900**

2b Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Enlarged Group for the year ended 31 December 2019

	The Group (audited)	The Target Group (audited)	Unaudited pro forma adjustments	The Enlarged Group (unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 5*	
Revenue	17,662,136	18,980,419		36,642,555
Cost of sales	(12,207,094)	(13,637,310)		(25,884,404)
Gross profit	**5,455,042**	**5,343,109**		**10,798,151**
Other income	31,137	12,648		43,785
Other gains and losses	(211,094)	–		(211,094)
Selling and marketing costs	(774,076)	(375,911)		(1,149,987)
Administrative expenses	(702,752)	(219,702)	(21,984)	(944,438)
Other operating expenses	(61,643)	(173,911)		(235,554)
Impairment loss under expected credit loss model	(67,497)	(63,090)		(130,587)
Gain on disposal of subsidiaries	1,185,595	–		1,185,595
Finance income	71,655	46,322		117,977
Finance costs	(264,227)	(126,330)		(390,557)
Share of losses of associates	(24,049)	–		(24,049)
Share of profits of joint ventures	14,743	627,902		642,645
Gain (loss) on the change in fair value of investment properties	945,466	23,299		968,765
Profit before income tax	**5,598,300**	**5,094,336**		**10,670,652**
Income tax expenses	(2,557,163)	(2,424,378)		(4,981,541)
Profit for the year	**3,041,137**	**2,669,958**		**5,689,111**
Profit (loss) attributable to:				
Owners of the Company	2,473,818	1,408,902	(21,984)	3,860,736
Non-controlling interests	520,754	1,261,056		1,781,810
Owners of perpetual securities	46,565	–		46,565
Profit for the year	**3,041,137**	**2,669,958**		**5,689,111**

	The Group (audited) *RMB'000* *Note 1*	The Target Group (audited) *RMB'000* *Note 2*	Unaudited pro forma adjustments *RMB'000* *Note 5*	The Enlarged Group (unaudited) *RMB'000*
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Fair value gain on investments in equity instruments at fair value through other comprehensive income	17,975	–		17,975
Other comprehensive income for the year, net of income tax	13,482	–		13,482
Total comprehensive income for the year	**3,054,619**	**2,669,958**		**5,702,593**
Total comprehensive income (expense) attributable to:				
Owners of the Company	2,487,300	1,408,902	(21,984)	3,874,218
Non-controlling interests	520,754	1,261,056		1,781,810
Owners of perpetual securities	46,565	–		46,565
Total comprehensive income for the year	**3,054,619**	**2,669,958**		**5,702,593**

2c Unaudited pro forma consolidated statement of cash flows of the Enlarged Group for the year ended 31 December 2019

	The Group (audited)	The Target Group	Unaudited pro forma adjustments		The Enlarged Group
	(audited)	*(audited)*			*(unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	
Net cash from (used in) operating activities	**8,000,667**	**(1,223,291)**		**(21,984)**	**6,755,392**
INVESTING ACTIVITIES					
Interest received	85,743	46,322			132,065
Proceeds from disposal of interests in subsidiaries	622,075	–			622,075
Proceeds from sale of investment properties and property, plant and equipment	334,079	–			334,079
Net settlement of foreign currency forward contracts	924	–			924
Withdrawal of restricted bank deposits	433,412	248,302			681,714
Deposit of restricted bank deposits	(968,920)	(202,457)			(1,171,377)
Amounts advance to related parties	(2,462,429)	(5,180,133)	350,000		(7,292,562)
Amounts advance to non-controlling shareholders	(652,354)	(978,345)			(1,630,699)
Repayment from related parties	1,999,320	988,011			2,987,331
Repayment from non-controlling shareholders	465,867	860,287			1,326,154
Consideration received for disposal of subsidiaries in prior year	616,800	–			616,800
Acquisition of associates	(29,400)	–			(29,400)
Acquisition of subsidiaries	(24,559)	–			(24,559)
Proceeds from disposal of financial assets	–	577,651			577,651
Acquisition of investment properties	(646,923)	–			(646,923)
Acquisition of property, plant and equipment	(32,222)	(1,065)			(33,287)
Net cash used in investing activities	**(258,587)**	**(3,641,427)**			**(3,550,014)**

	The Group (audited)	The Target Group	Unaudited pro forma adjustments		The Enlarged Group
	(audited)	*(audited)*			*(unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	
FINANCING ACTIVITIES					
Interest-bearing loans raised	7,070,413	1,812,000			8,882,413
Proceeds from issuance of bonds	2,071,211	–			2,071,211
Repayments of leases liabilities	(14,264)	(96,085)			(110,349)
Transaction cost paid on issuance of bonds	(6,401)	–			(6,401)
Capital contribution from non-controlling shareholders	283,332	566,579			849,911
Liquidation of a subsidiary	(3,500)	–			(3,500)
Advance from related parties	196,150	6,176,338	(350,000)		6,022,488
Advance from non-controlling shareholders	775,375	1,982,594			2,757,969
Repayment to related parties	(1,807,733)	(750,855)			(2,558,588)
Repayment to non-controlling shareholders	(113,220)	–			(113,220)
Repayment of bonds	(4,474,800)	–			(4,474,800)
Repayment of interest-bearing loans	(6,560,826)	(5,573,410)			(12,134,236)
Dividend paid	(491,182)	–			(491,182)
Perpetual securities dividend paid	(46,180)	–			(46,180)
Dividend paid to a non-controlling shareholder	(156,689)	(458,211)			(614,900)
Interest paid	(1,001,333)	(476,402)			(1,477,735)
Net cash (used in) from financing activities	**(4,279,647)**	**3,182,548**			**(1,447,099)**
Net increase (decrease) in cash and cash equivalents	**3,462,433**	**(1,682,170)**		**(21,984)**	**1,758,279**
Cash and cash equivalents at 1 January 2019	**4,059,778**	**6,400,314**			**10,460,092**
Effect of foreign exchange rate changes	46,131	–			46,131
Cash and cash equivalents at 31 December 2019 represented by bank balances and cash	**7,568,342**	**4,718,144**		**(21,984)**	**12,264,502**

Notes to the unaudited pro forma financial information of the Enlarged Group

1. The amounts have been extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2020 included in the published interim report of the Company for the six months ended 30 June 2020 on which no review report has been published and the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2019 included in the published annual report of the Company for the year ended 31 December 2019.

2. The amounts have been extracted from the audited consolidated statement of financial position of the Target Group as at 30 June 2020, and the audited consolidated statement of comprehensive income and consolidated statement of cash flows of the Target Group for the year ended 31 December 2019 in Appendix II to this circular.

3. Pursuant to the Equity Agreement dated 12 October 2020, the Group will acquire the entire interested in the Target Company at a total consideration of RMB7.26 billion, including the consideration for equity interests of RMB3.64 billion (subject to adjustment based on the Completion Accounts) and the consideration for debts of RMB3.62 billion. The consideration will be paid in the following manner:

   (a) 10% of the consideration (being approximately RMB0.73 billion subject to adjustment based on the Completion Accounts) shall be paid within twenty business days immediately following the date on which the Acquisition is approved at the extraordinary general meeting (the "EGM");

   (b) 20% of the consideration (being approximately RMB1.45 billion subject to adjustment based on the Completion Accounts) shall be paid within six months immediately following the date on which the Acquisition is approved at the EGM;

   (c) 20% of the consideration (being approximately RMB1.45 billion subject to adjustment based on the Completion Accounts) shall be paid within nine months immediately following the date on which the Acquisition is approved at the EGM;

   (d) 30% of the consideration (being approximately RMB2.18 billion subject to adjustment based on the Completion Accounts) shall be paid within eleven months immediately following the date on which the Acquisition is approved at the EGM; and

   (e) the balance of the consideration (after withholding the holdback sum of RMB0.95 billion) shall be paid within twelve months immediately following the date on which the Proposed Acquisition is approved at the EGM.

   The Proposed Acquisition is considered as a business combination under common control as the Group and the Target Group are under the common control of Greenland Holdings Corporation Limited before and after the Proposed Acquisition. Accordingly, the Proposed Acquisition is accounted for using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants. The difference between the consideration and share capital of the Target Group would be debited to merger reserve of equity.

4. The adjustment represents the elimination of the intra-group balances amounting to approximately RMB4.10 billion which consists the consideration for debts of approximately RMB3.62 billion disclosed in Note 3 and amounts due to a subsidiary of the Group of approximately RMB0.48 billion and cash flows amounting to RMB0.35 billion between the Group and the Target Group.

5. The adjustment represents the estimated professional fees and transaction costs of approximately RMB21,984,000 payable by the Company in connection with the Proposed Acquisition, which are subject to change and assumed to be due upon Completion. This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows.

6. No adjustment has been made to reflect any trading results or other transactions entered into by the Group or the Target Group subsequent to 30 June 2020 for the unaudited pro forma consolidated statement of financial position and 31 December 2019 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated cash flow statement.

The following is the text of independent reporting accountants' assurance received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Enlarged Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Greenland Hong Kong Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Greenland Hong Kong Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2020, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2019 and related notes as set out on pages III-1 to III-8 of the circular issued by the Company dated 25 November 2020 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on section A of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 100% equity interest in Guangzhou Greenland Real Estate Development Co., Ltd (廣州綠地房地產開發有限公司) (the "Proposed Acquisition") on the Group's financial position as at 30 June 2020 and the Group's financial performance and cash flows for the year ended 31 December 2019 as if the Proposed Acquisition had taken place at 30 June 2020 and 1 January 2019, respectively. As part of this process, information about the Group's financial position as at 30 June 2020 has been extracted by the Directors from the interim report of the Group for the six months ended 30 June 2020, on which no review report has been published. Information about the Group's financial performance and cash flows for the year ended 31 December 2019 has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2019, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2020 and 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 25 November 2020

Set out below are the management discussion and analysis of the Group as extracted from the annual reports of the Company for each of the three financial years ended 31 December 2019 and the interim report of the Company for the six months ended 30 June 2020 (the "**Management Discussion and Analysis**"). Terms used below shall have the same meanings as those defined in the Management Discussion and Analysis.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE GROUP

FOR THE YEAR ENDED 31 DECEMBER 2017

BUSINESS REVIEW

Results

With the transition from the high-speed growth to the high-quality development, China's economy was experiencing a crucial period characterized by transforming the mode of development, improving the economic structure and changing the driver behind economic growth in 2017. The national economy enjoyed strong vitality and resilience, and steady progress. The reform of supply side in the real estate market was pushed forward in rental business, land supply and financial regulation in 2017. The Group achieved a business result more than its expectation. The total contracted sales amounted to approximately RMB30,111 million, with a year-on-year increase of approximately 65%, and the contracted gross floor area ("**GFA**") sold amounted to approximated 2,271,386 square meters, with a year-on-year increase of approximately 55% for 2017.

The Group recorded a total revenue of RMB14,619 million in 2017, a decrease of approximately 14% from 2016, while profit for the year from continuing operations was approximately RMB1,836 million, representing a year-on-year increase of approximately 73%, primarily as a result of the sharp improvement in gross profit margin to 25%. Basic and diluted earnings per share attributable to the owners of the Company amounted to RMB0.46 compared with RMB0.39 in 2016.

The total GFA of the property sales sold and delivered in 2017 was 1,247,502 square meters, staying stable with 1,233,561 square meters in 2016. The average selling price ("**ASP**") was approximately RMB11,037 per square meter. The revenue derived from the property sales was approximately RMB14,102 million, representing a year-on-year decrease by approximately 14% compared with approximately RMB16,431 million in 2016. The details of completed and delivered properties in 2017 are as follows:

Item	City	Approximate GFA sold and delivered in 2017	Approximate sales recognized in 2017	Average selling price
		sq.m.	*RMB'000*	*RMB/sq.m.*
Property				
Greenland Nanning Central Plaza	Nanning	126,766	1,532,928	12,093
Greenland City	Haikou	190,592	1,518,245	7,966
Greenland Hai Po Lan Ting	Kunming	97,884	1,484,136	15,162
Greenland Jiangnan Huadu	Suzhou	96,104	1,352,889	14,077
Greenland Cifi City	Hangzhou	48,676	1,313,515	26,985
Greenland Central Culture Center	Haikou	134,404	1,139,553	8,479
Greenland International Huadu	Nanning	110,684	953,030	8,610
Greenland Hai Chang Liu	Haikou	79,533	647,494	8,141
Greenland Xiang Shu Hua Cheng	Kunming	89,246	586,248	6,569
China Resources • Greenland Triumph Arch	Xuzhou	48,556	498,843	10,274
Greenland Lakeside Villa	Xuzhou	47,098	404,709	8,593
Cambridge Forest New Town	Shanghai	18,884	380,953	20,173
Greenland Huangpu Center	Shanghai	2,703	333,493	123,379
Greenland Taiping Lake Resort	Huangshan	45,516	328,386	7,215
Greenland Bihu International	Ningbo	20,467	304,408	14,873
The Metropolitan	Kunming	24,087	251,681	10,449
Greenland Xi Shui Dong	Wuxi	17,012	248,330	14,597
Greenland Yunduhui Square	Kunming	21,850	143,897	6,586
Greenland Shanding Park	Taiyuan	12,037	140,636	11,684
Global 188	Suzhou	3,873	76,714	19,807
Greenland Emerald Bay	Changshu	6,264	71,899	11,478
Wuxiang Greenland Center	Nanning	4,769	49,413	10,361
Greenland The Florea	Haikou	402	6,173	15,356
Greenland La Casa	Changshu	95	1,090	11,474
Sub-total		**1,247,502**	**13,768,663**	**11,037**

Item	City	Approximate sales recognized in 2017
		RMB'000
Carparking lot		
Greenland Cifi City	Hangzhou	140,042
Greenland International Huadu	Nanning	88,849
China Resources • Greenland Triumph Arch	Xuzhou	44,345
Greenland Jiangnan Huafu	Suzhou	30,588
Tiffany	Shanghai	10,435
Greenland Yunduhui Square	Kunming	8,887
Cambridge Forest New Town	Shanghai	3,857
Greenland Hai Chang Liu	Haikou	3,638
Wuxiang Greenland Center	Nanning	1,504
Greenland The Florea	Haikou	707
Sub-total		**332,852**
Total		**14,101,515**

Contracted Sales

Leveraging the scale advantage and brand influence of its parent company, Greenland Holdings, the Group properly understood the project positioning and pricing strategy and actively promoted the high-quality projects. In 2017, the Group recorded the total contracted sales of approximately RMB30,111 million, representing a year-on-year increase of approximately 65%, and the contracted GFA sold amounted to approximately 2,271,386 square meters, with a year-on-year increase of approximately 55%. The average selling price for 2017 was RMB13,257 per square meters.

The property market in the Pan-Yangtze River Delta was still the Group's main source of contracted sales income in 2017. The bulk of contracted sales Derived from projects in the Pan-Yangtze River Delta region, including those in Jiangsu, Zhejiang and Shanghai, accounting for 25%, 5% and 10%, respectively. The other major projects mainly included Hainan projects (22%), Guangxi projects (17%) and Jiangxi project (13%).

Strategic Cooperation

In June 2017, the Group entered into the strategic cooperation on project regarding the Greenland Spring City • Dian Lake International Health Model Town in Kunming. The project involved a diversity of industries such as international health check, medical treatment and aesthetics, resort hotel and venture capital base for health research which are beneficial to the development of Yunnan's current mega-health industry. The cooperation echoes with the development of Kunming as a "city of health" in China and is in line with Greenland Holdings' nationwide strategic layout of "themed town" as well as its commitment to innovation and transformation. It also conforms to the requirements of "stabilizing growth and promoting investment" of the central government, and Shanghai and Yunnan governments, and is expected to become another example for mutually beneficial cooperation between local government and enterprises.

In March 2018, the Group officially announced the development strategy for medical and healthcare industries. It will focus on medical and healthcare businesses by leveraging its strong brand advantages and deploying cutting-edge medical and healthcare resources at home and abroad to create a first-class life and health service platform. It will also partner with Provectus Care, a renowned Australian elderly care company, and Shanghai International Medical Centre, a domestic top medical institution, to establish the first Shanghai-based medical institution focusing on Alzheimer's disease. The Group formally unveiled in the release conference the establishment of its healthcare investment company which will serve as the Company's life and health service platform.

Finance Business

In 2017, focusing on the three core strategies including "online wealth management, asset management and scientific information services", a wholly-owned subsidiary of the Company, Shanghai Greenland Financial Information Services Co., Ltd. ("**Greenland Financial Services**") sustained a steady growth. By 2017, Greenland Financial Services achieved the profit for the second year consecutively since its establishment.

For asset management, Daokun Asset Management ("**Daokun**"), as the part of Greenland Financial Services, enjoyed dynamic growth trend in which Daokun actively deepened its cooperation with China's leading property developers, constantly promoted strategic layout and increased the total size of asset under management. As at the end of 2017, the accumulative assets under management of Daokun Asset exceeded RMB10 billion and Daokun was recognized as "Zero2IPO Group's Top 10 Real Estate Funds of China", "China Real Estate Fashion Award of Boao Real Estate Forum – China's Most Influential Fund 2017", and China's Top 20 Most Powerful Real Estate Funds 2017", ranking high among China's real estate funds.

For platform construction, Greenland Guangcai (綠地廣財) ("**Greenland Guangcai**"), as a platform which is engaged in online wealth management business, experienced steady growth. Specifically, Greenland Guangcai issued and promoted the wealth management products with the total amount of RMB10,372 million and more than one million registered users in 2017. Greenland Guangcai has always complied with regulatory requirements and promoted compliance construction. Greenland Guangcai formally became a member of National Internet Finance Association of China in April 2017, and concluded the bank custody agreement with CITIC Bank in June 2017. Because of its strict risk control, Greenland Guangcai has ensured "no overdue and no bad debt" for all assets since launched online in August 2015.

In 2018, Greenland Financial Services will continuously improve the online wealth management platform, keep the platform's competitiveness, deepen and optimize strategic layout, expand and strengthen its real estate funds, fully exploit the industry's leading technological advantages, expand data and information service business, make steady progress and deliver innovative growth based on the Company's overall development strategy, which in turn will boost the coordinated development of the Company's different operations.

Land Bank

By 30 April 2018 from the beginning of 2017, the Group acquired 12 pieces of lands with a total GFA of approximately 7,240,000 sq.m. in Pan-Yangtze River Delta and Pan-Pearl River Delta Regions.

On 12 January 2017, the Group entered into an equity transfer agreement with Wuxi Metro Group Co., Ltd ("**Wuxi Metro**") to acquire 90% equity interest in Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd. ("**Wuxi Guangcheng**") which owned a parcel of land situated in Wuxi City, Jiangsu Province, the PRC, at a total consideration of approximately RMB2,340 million. As at 31 December 2017, the land plot will be used to develop residential, commercial and office units with an estimated GFA of approximately 329,000 sq.m. The acquisition has further strengthened the position of the Group in the Pan-Yangtze River Delta area and enriched the Group's property portfolio.

On 24 January 2017, the Group successfully bid for a land parcel located in Nanning, Guangxi of the PRC, at a total consideration of approximately RMB535 million for a GFA of approximately 296,200 sq.m. with Guangxi Baota Industrial Park Development Investment Company Limited* (廣西寶塔工業園區開發投資有限公司) and Haixia Capital Management Co., Ltd.* (海峽匯富產業投資基金管理有限公司). The land parcel is located at Xiangsihu sub-district, Nanning of the PRC, which is a cultural, educational, scientific and research development center situated at the west of Nanning City of the PRC and on the upstream of Yongjiang.

On 18 May 2017, the Group entered into an equity transfer agreement to acquire 99% equity interest in 吳江神鷹房地產開發有限公司 (Wujiang Shenying Real Estate Development Co., Ltd.*) at an aggregate consideration of approximately RMB601 million. The GFA of the projects is approximately 204,060 sq.m. The project will further increase the Company's market share and brand influence in Wujiang, Suzhou of the PRC.

In June 2017, the Group successfully bid for a land parcel located in Jiangnan District, Nanning, Guangxi, the PRC, at a total consideration of approximately RMB904 million. The total GFA is approximately 258,260 sq.m. for residential purpose. The acquisition of land not only demonstrates the high importance the Company attaches to the unique regional advantage of Guangxi of the PRC, but also injects further impetus to the long-term development of the Company in the prime locations of core cities.

In August 2017, the Group successfully acquired a project in Foshan, Guangdong Province of the PRC, at a total consideration of approximately RMB1.18 billion. The project consists of the land for residential and commercial purposes with a site area of approximately 400,000 sq.m. and the land for agricultural tourism purpose of 380,000 sq.m. located in Genghe Town, Gaoming District, Foshan of the PRC, with a total GFA of approximately 479,398 sq.m. The Group aims to develop the land into a high-end town with special characteristics, featuring with enrich eco-logical resources for developing tourism property.

On 30 August 2017, the Group won the bid for three plots of land located in Tongxiang Economic Development Zone in Jiaxing City, Zhejiang Province of the PRC at the total consideration of RMB673 million with a total GFA of approximately 341,707 sq.m. It is the Company's first foray into Jiaxing market. The project will be developed into a mixed development for residential, commercial and offices.

In December 2017, the Group held cornerstone laying ceremony for the large-scale rehabilitation project, Greenland Spring City • Dian Lake International Health Model Town, in Dayu district in Kunming of the PRC. Greenland Spring City • Dian Lake International Health Model Town will be developed in three phases. On 8 December 2017, the Company successfully acquired the first plot of land with a total GFA of approximately 980,000 sq.m. including 520,000 sq.m. for residential purpose and 460,000 sq.m. for commercial purpose.

In December 2017, the Group acquired a plot of land for Greenland Nanning Central Plaza with a total GFA of approximately 225,958 sq.m. The project will be a mixed development of residential, commercial and offices. In the same month, the Group additionally acquired a plot of land for new project, namely Nanning Greenland City, in Santang Town (三塘鎮), Xingning District, Nanning of the PRC, with a total GFA of approximately 663,059 sq.m. for residential, commercial and office purpose.

In January 2018, the Group won the bid for several plots of land for the project, located in Dongmeng Economic Development Zone in Nanning of the PRC with a total GFA of approximately 872,891 sq.m. for residential, commercial and office purpose. In the same month, the Group further acquired a plot of land located in Yulin City, Guangxi Province of the PRC, with a total GFA of approximately 999,414 sq.m. for residential and commercial purpose.

On 23 January 2018, the Group entered into the equity transfer agreement to acquire 70% of equity interest in Zhaoqing Hengchang Industrial Investment Co., Ltd.* (肇慶亨昌實業投資有限公司), which holds the property project in Zhaoqing City, Guangdong Province of the PRC, at a total consideration of RMB1,855 million with a total GFA of approximately 1,585,000 sq.m. for residential, commercial and hotel purpose.

As at 19 April 2018, the Group held a land bank of approximately 19 million sq.m. strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta regions of the PRC.

Offshore Financing

In July 2017, the Group issued 4.5% bonds with an aggregate principal amount of USD400 million due 2018. The proceeds from the issuance was applied to the refinancing of its offshore debt.

In the second half of 2017, the Group also successfully obtained a three- year offshore syndicated loan with an aggregate amount equivalent to approximately USD250 million with interest rate of LIBOR+2.8% for refinancing purpose.

Outlook

The 2018 Central Economic Work Conference emphasized steady progress as an important long-term principle for state governance of China. Driven by the strong demand in the domestic market and the loose macro- economic policy, it's expected that China will maintain its steady economic growth. In the long run, the quest and promotion of high-quality development is the fundamental requirement for China's economic development in the days to come. For the property market, the Central Economic Work Conference proposed the establishment of a housing system with supply by multiple market players, guarantee through multiple channels and balance between lease and purchase. The long-effect mechanism that can improve and promote the steady and healthy development of the real estate market may be introduced to maintain the continuity and stability of regulatory policies in the real estate market and a clear distinction in the responsibilities between the Central Government and the local governments, in order to achieve differentiated regulation. In response to the market condition with upgrading of consumption, the Group will work hard to make products to meet consumers' different demands in the property market while paying attention to the market potentials and investment opportunities in the core cities of the Pan-Yangtze River Delta and the Pan-Pearl River Delta. The Group will make flexible use of differentiated strategies and select those cooperation projects capable of enhancing the Company's brand influence through its abundant operation experience in the real estate market. The Group will utilize its professional advantages in product, development and sales, and forge the partnership with land owners and capital owners to expand development scale and market influence and increase its overall competitiveness.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group was decreased by approximately 14% to approximately RMB14,619 million from approximately RMB16,919 million, in 2016, mainly due to the decrease of the revenue arising from sales of properties.

As the core business of the Group, the sales of properties generated a revenue of approximately RMB14,102 million in 2017 (2016: approximately RMB16,431 million), accounting for approximately 96% of the total revenue, and representing a decrease of approximately 14% as compared with 2016, mainly a result of different regions and types of the delivered properties in 2017. The revenue of the Group from other segments included hotel operation income, property management and other related services, and rental income from leased properties.

	2017	**2016**	**Change**
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties	14,101,515	16,430,695	(2,329,180)
Property management and other services	343,675	269,784	73,891
Hotel operation income	137,361	177,100	(39,739)
Rental income	36,321	41,609	(5,288)
Total	**14,618,872**	**16,919,188**	**(2,300,316)**

Cost of Sales

Cost of sales decreased by approximately 22% from approximately RMB14,091 million for 2016 to approximately RMB11,028 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit increased to approximately RMB3,591 million from approximately RMB2,828 million in 2016, and margin rose from 17% to 25% during 2017 from those in 2016.

Other Income, Gains and Losses and Other Operating Expenses

Other income, gains and losses and other operating expenses increased from a loss of approximately RMB641 million for 2016 to a gain of approximately RMB285 million for 2017, mainly due to the foreign exchange gain arising from the appreciation of Renminbi in 2017.

Operating Expenses

With the sustainable business development and expansion of the Group, selling and marketing costs increased from approximately RMB416 million in 2016 to approximately RMB587 million in 2017 while administrative expenses decreased from approximately RMB500 million in 2016 to approximately RMB438 million in 2017.

Net Finance Costs

Net finance costs increased from approximately RMB65 million in 2016 to approximately RMB129 million.

Revaluation gain on investment properties

The Group recorded fair value gains on investment properties of approximately RMB329 million for the year, as compared with a gain of approximately RMB688 million in 2016. The fair value gain was mainly attributable to gain on investment properties in Shanghai and Jiaxing of the PRC.

Income Tax

Income tax increased to approximately RMB1,420 million in 2017 from approximately RMB1,025 million in 2016 mainly due to more corporation income tax and land appreciation tax provision for the property delivery with higher margin.

Profit and Total Comprehensive Income for the Year

The Group's profit and total comprehensive income for 2017 amounted to approximately RMB1,836 million, an increase of approximately 48% compared with approximately RMB1,241 million in 2016.

Financial Position

As at 31 December 2017, the Group's total equity was approximately RMB11,585 million (31 December 2016: approximately RMB9,724 million), total assets amounted to approximately RMB68,750 million (31 December 2016: approximately RMB54,105 million) and total liabilities stood at approximately RMB57,165 million (31 December 2016: approximately RMB44,381 million).

Liquidity and Financial Resources

The Group's business operation proceeds and bank loan raised have been the primary sources of liquidity of the Group, which have been applied in business operations and investment in development projects.

As at 31 December 2017, net gearing ratio (total interest-bearing loans and bonds less cash and cash equivalents (including restricted bank deposits) over total equity) decreased to a level of approximately 84% (31 December 2016: approximately 121%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB7,857 million, with total borrowings of approximately RMB17,590 million and an equity base of approximately RMB11,585 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions in the capital market, there is limited exposure to foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering the costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at Group level.

To minimize the interest risk, the Group continued to closely monitor and manage its loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled in accordance with the terms stipulated in the sale & purchase agreements and lease agreements.

Pledge of Asset

As at 31 December 2017, the Group pledged properties and time deposits with a carrying value of approximately RMB8.6 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB5.8 billion.

Financial guarantee

As at 31 December 2017, the Group provided guarantees to banks for:

	31 December 2017	**31 December 2016**
	RMB'000	*RMB'000*
Mortgage loan	9,922,333	7,274,193

Capital commitment

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Property under development and investment properties under development contracted but not provided in the consolidated financial statements	11,138,547	6,751,193

Human resources

As at 31 December 2017, the Group employed a total of 3,153 employees (31 December 2016: 2,678). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance, share award schemes were adopted to attract and retain talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

Performance of the Group's core business will be affected by various factors, including but not limited to economic conditions and the performance of property markets in regions where the developments or investments are located, which would not be mitigated even with careful and prudent investment strategy and strict control procedures.

Impact of Government Policies and Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Foreign Exchange Risk

For details of the Group's exposure in foreign exchange risk, please see paragraph headed "Financial Performance — Treasury Policy" of this "Management Discussion and Analysis".

Third-Party Risk

The Group relies on third-party service providers in certain parts of its business. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputable third-party providers and closely monitors their performance.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2017, insofar as the Board was aware, there were no material breach of or non-compliance with applicable laws and regulations by the Group that had a significant impact on the business and operations of the Group.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises that employees are its valuable assets. Thus, the Group recognises the accomplishment of its employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market level. Further, the Group provides a healthy and safe workplace for all employees and no strikes and cases of fatality due to workplace accidents occurred during the year ended 31 December 2017.

The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. During the year ended 31 December 2017, there was no material or significant dispute between the Group and its business partners or bank enterprises.

FOR THE YEAR ENDED 31 DECEMBER 2018

BUSINESS REVIEW

Results

In 2018, the National Bureau of Statistics announced that the gross domestic product ("**GDP**") grew by 6.6% year on year. Although the GDP achieved expected development goals of the Chinese government, it was the lowest economic growth rate of China in the past 28 years. In addition, the international situation was complicated. "Black swan" incidents such as Sino-US trade frictions and Fed rate hikes had followed. The economy of China continued to face downward pressure. The real estate market of the year performed diversely. In the first half of the year, despite a high level of pressure of regulatory policies, sales inertia was maintained. Indicators such as growth rates of investment development, new construction area and land acquisition area were still rapid. In the second half of the year, the real estate market experienced a cyclical decline. The sell-through rates of core first- and second-tier cities had different degrees of adjustment and the growth rate of land acquisition area had slowed down. Although the growth rate of investment development remained high, growth momentum was insufficient, reflecting that the property market experienced an adjustment period. Faced with the above challenges, the overall performance of the Group was still in line with expectations. For the year ended 31 December 2018, the total contracted sales amounted to approximately RMB37,925 million, representing a year-on-year increase of approximately 26%, and the contracted GFA sold amounted to approximated 3,275,175 square meters, representing a year- on-year increase of approximately 44%.

During the year ended 31 December 2018, the Group recorded a total revenue of approximately RMB15,444 million, an increase of approximately 6% from 2017. Profit for the year attributable to owners of the Company was approximately RMB1,736 million, representing a year-on-year increase of approximately 32%. Basic and diluted earnings per share attributable to the owners of the Company amounted to RMB0.61 compared with RMB0.46 per share in 2017.

In 2018, the total GFA sold and delivered was 1,027,967 square meters and the average selling price ("**ASP**") was approximately RMB14,025 per square meter. The revenue derived from sales of properties and construction management service was approximately RMB14,831 million, representing a year-on-year increase of approximately 5% as compared with approximately RMB14,102 million in 2017. The details of completed and delivered properties in 2018 are as follows:

Item	**City**	**Approximate GFA sold and delivered in 2018**	**Approximate sales recognized in 2018**	**Average selling price**
		sq.m.	*RMB'000*	*RMB/sq.m.*
Property				
Greenland Central Culture Center	Haikou	205,466	2,588,931	12,600
Greenland Jiangnan Huafu	Suzhou	173,005	2,317,166	13,394
Greenland Nanning Central Plaza	Nanning	134,447	2,096,805	15,596
Greenland Huangpu Center	Shanghai	28,046	2,005,303	71,500
Haikou Greenland City	Haikou	121,763	1,060,419	8,709
Greenland Hai Chang Liu	Haikou	106,341	1,060,034	9,968
Greenland Hai Po Lan Ting	Kunming	46,799	753,664	16,104
Greenland Suzhou ONE	Suzhou	45,694	680,716	14,897
Greenland Yunduhui Square	Kunming	26,433	217,740	8,237
Greenland Seaside City	Shanghai	10,463	214,068	20,460
Greenland Lincoln Garden	Suzhou	18,483	199,989	10,820
Greenland Taiping Lake Resort	Huangshan	21,978	180,624	8,218
Greenland Forest Lake (Song Long Town)	Zhaoqing	16,474	161,706	9,816
Greenland Shanding Park	Taiyuan	15,585	158,963	10,200
Greenland Cifi City	Hangzhou	4,635	125,013	26,972
The Metropolitan	Kunming	9,106	113,629	12,478
Nannning Greenland Center	Nanning	9,612	112,216	11,675
Greenland Lakeside Villa	Xuzhou	11,458	108,460	9,466
Greenland International Huadu	Nanning	10,598	90,789	8,567
Greenland Emerald Bay	Changshu	2,483	38,349	15,445
Greenland Bihu International	Ningbo	2,013	34,998	17,386
Greenland The Florea	Haikou	4,310	31,219	7,243
Greenland Xi Shui Dong	Wuxi	889	30,065	33,819
Global 188	Suzhou	1,223	29,773	24,344
China Resources Greenland Triumph Arch	Xuzhou	279	3,644	13,061
Greenland Xiang Shu Hua Cheng	Kunming	384	2,707	7,049
Sub-total		**1,027,967**	**14,416,990**	**14,025**

Item	City	Approximate sales recognized in 2018
		RMB'000
Carparking lot		
Greenland Nanning Central Plaza	Nanning	203,682
Greenland Hai Po Lan Ting	Kunming	50,076
Haikou Greenland City	Haikou	26,871
Greenland Jiangnan Huafu	Suzhou	23,959
Tiffany (Cambridge Waters)	Shanghai	23,933
China Resources • Greenland Triumph Arch	Xuzhou	19,360
Wuxiang Greenland Center	Nanning	17,333
The Metropolitan	Kunming	15,787
Greenland Xiang Shu Hua Cheng	Kunming	15,231
Greenland Xi Shui Dong	Wuxi	14,500
Greenland Yunduhui Square	Kunming	2,010
Greenland The Florea	Haikou	1,277
Oriental Garden (Cambridge Watertown)	Shanghai	130
Greenland Bihu International	Ningbo	104
Cambridge Forest New Town	Shanghai	86
Sub-total		**414,339**
Total sales of properties		**14,831,329**

Contracted Sales

Relying on the economies of scale and brand influence of the parent company, Greenland Holdings, the Group continued to focus on real estate business to further develop and reserve high-quality land, deepened core cities of the Pan-Yangtze River Delta region and the Pan-Pearl River Delta region, and pursue ultimate product quality. In 2018, the Group recorded the total contracted sales of approximately RMB37,925 million, representing a year-on-year increase of approximately 26%, and the contracted GFA sold amounted to approximately 3,275,175 square meters, representing a year-on-year increase of approximately 44%. The average selling price for 2018 was RMB11,580 per square meters.

During the year ended 31 December 2018, the bulk of contracted sales mainly derived from projects in Pan-Yangtze River Delta and Pan-Pearl River Delta, including those in Jiangsu, Guangxi, Yunnan and Hainan, which accounted for approximately 32%, 24%, 14% and 13% of the total contracted sales respectively. Other contracted sales mainly consisted of those derived from core projects in Zhejiang Province and Guangdong Province.

Strategic Cooperation

In March 2018, the Group officially announced the development strategy for healthcare industries. It would focus on healthcare businesses by leveraging its strong brand advantages and deploying cutting-edge healthcare resources at home and abroad to create a high-quality life and health service platform. In the meantime, the Group also partnered with Provectus Care, a renowned Australian elderly care company, and Shanghai International Medical Centre, a domestic top medical institution, to establish the first Shanghai-based medical institution focusing on Alzheimer's disease, and to establish a high-end brand of old-age care, rehabilitation and nursing. In January 2019, the Company Provectus Care Residence ("**Provectus Care Residence**"), a professional nursing center, was officially opened. It will provide professional, personalized and comprehensive international nursing services for the elderly with cognitive disorder. Provectus Care Residence in Shanghai is the important practice in the development of the Company's health care industry. With the insights in the individual demands, the Company will take more humanization into account in the process of the property development.

In June 2018, the Group entered into the framework cooperation agreement on the comprehensive renovation projects in five shanty areas including Jiachengli with Liangxi Regional People's Government of Wuxi, Jiangsu Province. Jiachengli land parcel covers a site area of 221,300 sq.m., and is located in the southwestern side at the intersection of Qingyang Road and Zhenxin Road in Liangxi District, Wuxi. Based on Liangxi District's industrial planning and development direction, the Group will exploit its own advantages in property development, urban planning and industrial resources to support Wuxi's industrial transformation and upgrading. Meanwhile, the Group also signed a framework cooperation agreement on the renovation projects of old towns with Liangxi Regional People's Government. With a total area of 300 mu, the project covered the land parcels in Zhenda Steel Pipe Factory, in the west to Er Mao Fang parcels, in Mao Lane and along Zhenxin Road. The Group would also render the services such as designing the development plan and investment promotion and advising on the project's construction, development and operation in the renovation and upgrading of these land parcels.

In February 2019, the Group and the Government of Dantu District, Zhenjiang City, Jiangsu Province entered into a cooperation framework agreement to render consultant services for design, investment planning and project construction development of reconstruction and upgrading of the land parcel in relation to the urban renewal construction project, the intercity station project and the nationality characteristic town project. The cooperation will give full play to advantages of the Company such as urban planning and design, construction of intercity station as well as education and healthcare sectors, etc. to help Dantu Xincheng equip with a new development engine and assist Zhenjiang in achieving substantial improvement in urban cities, which will take an important step in realizing the goal of "Prosperity of Jiangsu" of the Company. It will also be another major strategic layout in Nanjing metropolitan area.

Land Bank

During the year ended 31 December 2018, the Group strategically and systematically increased land bank in core urban areas.

In January 2018, the Group won the bid for several plots of land for the project, located in Dongmeng Economic Development Zone in Nanning of the PRC with a total GFA of approximately 872,891 sq.m. for residential, commercial and office purposes. In the same month, the Group further acquired a plot of land located in Yulin City, Guangxi Province of the PRC, with a total GFA of approximately 999,414 sq.m. for residential and commercial purposes.

On 23 January 2018, the Group entered into the equity transfer agreement to acquire 70% of equity interest in Zhaoqing Hengchang Industrial Investment Co., Ltd., which holds the property project in Zhaoqing City, Guangdong Province of the PRC, at a total consideration of RMB1,855 million with a total GFA of approximately 1,585,000 sq.m. The Songlong Town Project situated at Huilong Town, Gaoyao District, Zhaoqing City for the residential, commercial and hotel uses. This project will help the Group's focus on its development advantages in Greater Bay Area and further consolidate its presence in the Pearl River Delta.

On 18 April 2018, the Group announced winning bid for five plots of land in Wujiaba sub-district, Guandu district, Kunming city, at a total consideration of approximately RMB3,426 million. The project occupied a site area of approximately 141,280 sq.m. with a planned GFA of approximately 863,186 sq.m. The project will be a mixed development of residential, commercial, office and hotel, including 458-meter super highrise, to be the landmark of Kunming city and Yunnan province.

In May 2018, the Group won a bid for a land parcel in Wujiang District, Suzhou at a total consideration of approximately RMB135 million. This land parcel is adjacent to Greenland Jiangnan Huafu project of the Group. With a total GFA of approximately 22,000 sq.m., it will be developed into a residential and commercial project as Phase III supportive part of Greenland Jiangnan Huafu project.

On 13 June 2018, the Group successfully won the bid for Little Swan plot in Liangxi district, Wuxi city, at a total consideration of approximately RMB1,343 million. The project had a planned GFA of approximately 191,000 sq.m. situated in the business core circle of Wuxi near the Fengxiang Road Viaduct. It is planned to be developed into a high-quality project in the urban core area.

On 15 June 2018, the Group further acquired a new plot of land, namely Health Home, in Liangxi district, Wuxi city, at a total consideration of RMB973 million. The land occupies a site area of 58,927 sq.m. with a planned GFA of approximately 155,000 sq.m. The project is located in the downtown of Liangxi district, Wuxi, near the Company's another project, Greenland Xi Shui Dong. Surrounded by a variety of transportation, commercial, education, medical and landscape resources, the project is endowed with high development value for its advantages in location and abundant facilities.

On 30 June 2018, the Group successfully won the bid for a land parcel in Xiangyang Yiwu at a total consideration of approximately RMB4,180 million. The project occupies a land area of 135,663 sq.m. with a planned GFA of approximately 264,543 sq.m. As the first entry into the mid-Zhejiang province, the project will be an urban complex including high- end commercial, luxury residential, boutique hotel, leisure and restaurants in the center of economics, politics, culture, and transportation in Yiwu, which shows the Group's determination to further develop in Zhejiang province.

On 4 September 2018, the Group successfully won the bid for Shengzhou project at a total consideration of approximately RMB504 million. The project covered a GFA of approximately 232,272 sq.m. located at the core area of Pukou Eco-Tech development zone, Shengzhou of Shaoxing City, Zhejiang Province for residential and commercial purposes.

On 12 December 2018, the Group successfully bid and acquired new land parcels of Greenland Nanning Central Plaza for approximately RMB1.1355 billion. The land parcels cover an area of approximately 54,508 square meters with a planned GFA of approximately 287,935 square meters and an average floor price of approximately RMB3,943 per square meter, which will be developed as a complex for residential, commercial and office purposes.

On 7 March 2019, the Group won the bid for the land parcel in Dongmeng Economic and Technological Development Zone in Nanning, Guangxi Province at a total consideration of approximately RMB661 million, with a total GFA of approximately 911,000 sq.m. to be developed as Phase II of Greenland Dongmeng International Town. The construction of the project will facilitate the urban development, industrial integration, promotion of business and trading in Dongmeng Economic and Technological Development Zone in Nanning, so as to enhance the roles of Nanning city as the core city of Beibu Gulf, actively integrate into the "Belt and Road" and play an active role in the construction of the Guangdong- Hong Kong-Macao Greater Bay Area.

As at 28 March 2019, the Group held a land bank of approximately 20 million sq.m. mainly strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta, which is sufficient to support its development in the next two to three years. The Group will continue to seek additional high-quality land projects with promising potential of development.

Offshore Financing

The Group issued USD200 million 7.875% bonds due 2019 and USD200 million 9.875% bonds due 2020 respectively in June and December 2018. The net proceeds from the issuance were mainly used for offshore debt refinancing.

Outlook

The Central Economic Work Conference in 2019 described that the economy of China maintained stable in the context of changes and concern and pointed out that the development of China was still and would be in an important strategic opportunity period in the long term. It also faced squarely the downward pressure on the economy of China. Regarding the real estate market, the Central Economic Work Conference proposed to build a long-term mechanism for healthy development of the real estate market and the concept of "housing is for living in, not for speculation" was particularly reiterated. With measures such as region-specific regulatory policies, category-specific guidance and reinforcement of main responsibility of the city government, housing market system and housing security system were improved. In the face of a volatile market environment in the future, the Company will adhere to the philosophy of "creating a better lifestyle", remain sensitive and far-reaching.

With the profound experience of operation in real estate, the Group will continuously penetrate into the core cities in Pan-Yangtze River Delta and Pan-Pearl River Delta, and meet the multilevel consumers' demands in the real estate market. Meanwhile, the Group will also promote the business strategy of "Real Estate +", establish property projects in sectors such as cultural, commercial and tourism as well as healthcare, reduce cost and raise efficiency, optimize investment structure to enhance its competitiveness and market influence so as to lay a solid foundation for business development. 2019 is the 100th anniversary of the May Fourth Movement, the 70th anniversary of the founding of New China and a significant year of fully building a moderately prosperous society. The Company will strive to seek opportunities in a difficult position, grasp a variety of management tasks by resolving various difficulties and promote the steady development of various businesses to contribute to the stable development of the economy of China.

The Group has interest-bearing borrowings denominated in US dollar and Hong Kong dollar, while the operating income is mainly denominated in RMB. During the year ended 31 December 2018, the depreciation of RMB exchange rate posed pressure on the corporate financing cost and earnings performance. The Group's financial results were also affected to a certain degree. Therefore, up to 28 March 2019, the Company has signed forward foreign exchange contracts in the aggregate principal amount of US$20 million to hedge against the exchange risk while reverting RMB to US dollar. The Company will continue to monitor the trend of exchange rate of RMB against US dollar, and take appropriate measures to hedge against the risk in foreign currency exchange.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group increased by approximately 6% from approximately RMB14,619 million in 2017 to approximately RMB15,444 million in 2018, mainly due to the increase in the revenue arising from sales of properties and construction management service.

As the core business of the Group, the sales of properties and construction management service generated a revenue of approximately RMB14,831 million in 2018 (2017: approximately RMB14,102 million), accounting for approximately 96% of the total revenue. The revenue of the Group from other segments included hotel operation income, property management and other services, and rental income from leased properties.

	2018	**2017**	**Change**
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management service	14,831,329	14,101,515	729,814
Property management and other services	426,923	343,675	83,248
Hotel and related services	134,541	137,361	(2,820)
Rental income	51,453	36,321	15,132
Total	**15,444,246**	**14,618,872**	**825,374**

Cost of Sales

Cost of sales increased by approximately 3% from approximately RMB11,028 million for 2017 to approximately RMB11,306 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit increased by approximately 15% to approximately RMB4,138 million from approximately RMB3,591 million in 2017, and margin rose from approximately 25% to approximately 27% during 2018.

Other Income, Other Gains and Losses and Other Operating Expenses

Other income, other gains and losses and other operating expenses decreased from a gain of approximately RMB285 million for 2017 to a loss of approximately RMB678 million for 2018, mainly due to the foreign exchange loss arising from the depreciation of Renminbi in 2018.

Operating Expenses

With the sustainable business development and expansion of the Group, selling and marketing costs increased from approximately RMB587 million in 2017 to approximately RMB811 million in 2018 while administrative expenses increased from approximately RMB438 million in 2017 to approximately RMB530 million in 2018.

Net Finance Costs

Net finance costs decreased from approximately RMB129 million in 2017 to approximately RMB114 million.

Gains on the Change in Fair Value of Investment Properties

The Group recorded fair value gains on investment properties of approximately RMB1,227 million for the year, as compared with a gain of approximately RMB329 million in 2017. The fair value gain was mainly attributable to gain on investment properties in Shanghai, Nanning and Kunming, the PRC.

Income Tax Expenses

Income tax increased to approximately RMB1,750 million in 2018 from approximately RMB1,420 million in 2017 mainly due to more corporation income tax and land appreciation tax provision for the property delivery with higher margin.

Profit for the Year Attributable to Owners of the Company

The Group's profit for the year attributable to owners of the Company amounted to approximately RMB1,736 million, an increase of approximately 32% compared with approximately RMB1,319 million in 2017.

Financial Position

As at 31 December 2018, the Group's total equity was approximately RMB13,945 million (31 December 2017: approximately RMB11,585 million), total assets amounted to approximately RMB90,230 million (31 December 2017: approximately RMB68,750 million) and total liabilities stood at approximately RMB76,285 million (31 December 2017: approximately RMB57,165 million).

Liquidity and Financial Resources

The Group's business operations, bank loans and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied in business operations and investment in development projects.

As at 31 December 2018, net gearing ratio (total interest-bearing loans and bonds less cash and cash equivalents (including restricted bank deposits) over total equity) increased to a level of approximately 88% (31 December 2017: approximately 84%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB6,277 million, with total borrowings of approximately RMB18,503 million and an equity base of approximately RMB13,945 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions in the capital market, there is limited exposure to foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering the costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at Group level.

To minimize the interest risk, the Group continued to closely monitor and manage its loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Asset

As at 31 December 2018, the Group pledged properties and time deposits with a carrying value of approximately RMB13 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB7 billion.

Financial guarantee

As at 31 December 2018, the Group provided guarantees to banks for:

	31 December 2018	**31 December 2017**
	RMB'000	*RMB'000*
Mortgage loan	11,561,273	9,922,333

Capital commitment

	31 December 2018 *RMB'000*	31 December 2017 *RMB'000*
Property under development and investment properties under development contracted but not provided in the consolidated financial statements	13,487,602	11,138,547

Human resources

As at 31 December 2018, the Group employed a total of 3,722 employees, among which approximately 1,929 employees worked for the property development business (31 December 2017: 3,153). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance to attract and retain talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

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The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. During the year ended 31 December 2018, there was no material or significant dispute between the Group and its business partners or bank enterprises.

FOR THE YEAR ENDED 31 DECEMBER 2019

BUSINESS REVIEW

Results

In 2019, the overall economic growth in China reached the targeted level, and its GDP growth was higher than the global economic growth, reaching the new level of GDP per capita of US$10,000 for the first time. While the economic aggregate output continues to increase, the quality of economic development in China is also steadily improving. In response to the real estate market, the Central Economic Work Conference of the Central Committee of the Communist Party of the PRC reiterated its view of "no speculation on residential properties", and remained committed to the full implementation of the policy of developing different strategies for different cities and the long- term management and control mechanism of stabilizing land prices, housing prices and expectations, so as to promote the stable and healthy development of the real estate market. At the same time, the number of the construction projects in relation to shanty-town redevelopment significantly decreased and the situation that "the output was actually more than enough notwithstanding the planned reduction" was also expected. The proportion of redeveloped projects with financial compensation decreased, and the demolition progress in most of the cities surveyed slowed down significantly. For the year ended 31 December 2019, the total contracted sales of the Group amounted to approximately RMB48,458 million, representing a year-on-year increase of approximately 28%, and the aggregate contracted gross floor area sold amounted to 3,272,029 sq.m. The overall performance of the Group was as sound as expected.

During the year ended 31 December 2019, the Group recorded a total revenue of approximately RMB17,662 million, representing an increase of approximately 14% from 2018, which was mainly attributable to the increase in area of properties sold and delivered in 2019. Profit for the year amounted to approximately RMB3,041 million, representing an increase of approximately 54% from 2018. Profit for the year attributable to owners of the Company was approximately RMB2,474 million, representing a year-on-year increase of approximately 43%. Basic earnings per share of the Group amounted to RMB0.89 per share, compared with RMB0.61 per share in 2018.

During the year ended 31 December 2019, the total GFA of projects sold and delivered was 1,306,112 sq.m., representing an increase of approximately 27% compared with 2018. The average selling price was approximately RMB12,739 per sq.m. The revenue derived from sales of properties was approximately RMB16,995 million, representing an increase of approximately 15% as compared with approximately RMB14,831 million in 2018. Details of major projects completed and delivered in 2019 are as follows:

Item	City	Approximate GFA sold and delivered in 2019	Approximate sales recognized in 2019	Average selling price
		sq.m.	*RMB'000*	*RMB/sq.m.*
Property				
Greenland Central Plaza	Nanning	203,828	3,089,736	15,159
Haikou Greenland City	Haikou	211,682	2,490,945	11,767
Greenland Suzhou ONE	Suzhou	117,207	1,873,384	15,984
Greenland Dian Lake International Health Town	Kunming	142,887	1,488,183	10,415
Greenland Shanding Park	Taiyuan	108,242	1,367,415	12,633
Greenland Jiangnan Huafu	Suzhou	94,264	1,285,399	13,636
Greenland Xi Shui Dong	Wuxi	55,082	1,246,551	22,631
Greenland Central Plaza	Jiaxing	73,446	921,915	12,552
China Resources Greenland Triumph Arch	Xuzhou	73,478	836,193	11,380
Greenland Central Culture Center	Haikou	57,350	419,744	7,319
Greenland Lakeside Villa	Xuzhou	33,089	330,013	9,973
Greenland Dongmeng International Town	Nanning	27,259	263,060	9,650
Greenland Xin Li Pu Yue Garden	Nanning	26,662	234,886	8,810
Greenland Taiping Lake Resort	Huangshan	14,015	113,942	8,130
Greenland Bihu International	Ningbo	12,630	112,761	8,928
Greenland Hai Po Lan Ting	Kunming	7,091	109,648	15,463
Greenland Yunduhui Square	Kunming	13,349	96,370	7,219
The Metropolitan	Kunming	9,566	88,094	9,209
Greenland Hai Chang Liu	Haikou	5,812	78,127	13,442
Wuxiang Greenland Center	Nanning	4,237	59,170	13,965
Greenland Lincoln Garden	Suzhou	4,832	45,098	9,333
Greenland Xiang Shu Hua Cheng	Kunming	5,053	39,459	7,809
Greenland International Huadu	Nanning	1,889	26,220	13,880
Others		3,162	22,782	7,205
Sub-total		**1,306,112**	**16,639,095**	**12,739**

Item	**City**	**Approximate sales recognized in 2019** *RMB'000*
Carparking lot		
Greenland Central Plaza	Nanning	132,918
Greenland Jiangnan Huafu	Suzhou	77,927
Greenland Hai Po Lan Ting	Kunming	48,946
Greenland Xi Shui Dong	Wuxi	20,337
Greenland Cifi City	Hangzhou	17,457
Haikou Greenland City	Haikou	13,184
The Metropolitan	Kunming	11,165
Greenland International Huadu	Nanning	10,978
Others		22,585
Sub-total		**355,497**
Total property sales		**16,994,592**

Contracted Sales

Leveraging the operating scale and brand influence of its parent company, Greenland Holdings, the Group, through defining project positioning and pricing strategy precisely, seized the sales window-period to actively develop high-quality projects, and meanwhile enhanced sales performance through more diversified products. In 2019, the Group recorded a year-on-year increase in its total contracted sales of approximately RMB10,533 million to approximately RMB48,458 million, representing an increase of approximately 28%. During the year, the average selling price was approximately RMB14,810 per sq.m., inclusive of the impact from the equity disposal of Greenland Huangpu Center in Shanghai.

During the year ended 31 December 2019, the contracted sales of the Group were mainly derived from the projects located in key areas such as the Pan-Yangtze River Delta and the Pan-Pearl River Delta, including those in Shanghai, Jiangsu and Guangxi, which accounted for approximately 24%, 20% and 17% of the total contracted sales, respectively. Other contracted sales mainly consisted of those derived from core projects in Yunnan and Zhejiang, which accounted for approximately 15% and 11% of such contracted sales, respectively.

Strategic Cooperation

In February 2019, the Group and the Government of Dantu District in Zhenjiang City of Jiangsu Province entered into a cooperation framework agreement to render consultant services for design, investment planning and project construction development of reconstruction and upgrading of the land parcels in relation to the urban renewal construction project, the intercity station project and the nationality characteristic town project. The cooperation will give full play to advantages of the Company in urban planning and design, construction of intercity station as well as education and healthcare sectors, etc. to help Dantu Xincheng be equipped with a new development engine and assist Zhenjiang in achieving substantial improvement in urban cities.

On 6 May 2019, the PGA Tour Series China • Huangshan Championship Press Conference cum Signing Ceremony of Strategic Cooperation Agreement between the Group and Shankai Sports was held with grandeur in Shanghai. The Group entered into the three-year strategic cooperation agreement with Shankai Sports to create the new cooperation mode between the real estate industry and the sports industry, so as to tap into the new sector of ecological sports tourism together. Both parties will carry out cooperation pilot projects in the Greenland Taiping Lake Resort in Huangshan and intend to deepen their cooperation by holding international competition events, building a sports training center, purchase of sports products and themed catering, setting up their headquarters for sports and cultural enterprises, in order to achieve a win-win situation and optimal allocation of resources. This strategic cooperation with Shankai Sports was of material importance, under which ambitious and innovative attempts in respect of the specific segment of "ecological sports tourism" were made, serving as another important layout and breakthrough for the Company in terms of cultural, business and tourism businesses and bringing us new momentum generated from the sports sector and as a results upgrading the Group's strategic model of "Real Estate +".

On 12 September 2019, the Kunming Universal Healthcare Industry Development Conference 2019 was grandly held at the New Town Hall in Kunming, Yunnan Province, with the debut nationwide opening of the Greenland Kunming H1 Health Town Exhibition Hall. This was the first time that Greenland Kunming H1 Health Town, as a demonstrative zone under Greenland Dian Lake International Health Town, was unveiled to the public, starting a new chapter for the "universal medical and healthcare" roadmap of the Company. This exhibition hall is primarily for the purpose of enabling a closer look at and more hands-on experience of the universal healthcare vision and horizon that the Company attempts to bring to the community. Across the spectrum from lifestyle to medical and healthcare arrangements and from health management, Chinese medication to elderly care, the world top-notched cooperation partners work together to deliver the best care of highest standard. For example, the presence of the national medical center, international training center for medical care, food and nutrition center, chronic diseases management center, international testing and diagnostic center, international anti-aging center, international aesthetic medical center, the Provectus Care center and so forth, is exemplary representative of world-class sophistication in healthcare. With the mission of becoming a "Chinese achiever of the universal healthcare era in the world", the Company will start off from here and continue to explore and practice the strategic "Healthy China" notion, with a view to fabricating a world-class role model for healthy living, supporting the industry upgrade of Yunnan Province, and endorsing Kunming's rise to becoming a healthy city by a national or even an international standard.

Land Bank

During the year ended 31 December 2019, the Group strategically and systematically increased land bank in prime zones of core cities in the Pan-Yangtze River Delta and the Belt and Road Gateway.

In March 2019, the Company won the bid for land parcels in ASEAN Economic Development Zone in Nanning of Guangxi, at a consideration of approximately RMB661 million, with a planned GFA of approximately 911,000 sq.m. at the average floor price of approximately RMB726 per sq.m. The project will be developed as Phase II of Greenland Dongmeng International Town for residential, commercial and hotel purposes.

In April 2019, the Group successfully acquired a plot of land in Tongxiang at a consideration of approximately RMB483 million, with a planned GFA of approximately 216,000 sq.m. at the average floor price of approximately RMB2,236 per sq.m. The plot is planned to be used for the development of Phase II of the Tongxiang Greenland Central Plaza, which will be built into a new technology town of Tongxiang in the future. In the same month, the Group won the bid for a parcel of land in Dantu District in Zhenjiang City, at a consideration of approximately RMB561 million, with a planned GFA of approximately 150,420 sq.m. at the average floor price of approximately RMB3,732 per sq.m. The parcel is located in the Dantu New Town of Zhenjiang City, which is 7 km away from the commercial center of the city and adjacent to Yangzhou – Liyang Expressway and Shanghai-Nanjing Expressway. As the key area of the municipal government, Dantu New Town is the center of future urban development.

In May 2019, the Group successfully acquired a plot of land for the project which will be developed as Phase II of Greenland Dian Lake International Health Town, at a consideration of approximately RMB1,532 million, with a planned GFA of approximately 421,456 sq.m. at the average floor price of approximately RMB3,635 per sq.m.

In June 2019, the Group successfully acquired several plots of land in Guangde County in Xuancheng of Anhui, at a consideration of approximately RMB636 million, with a planned GFA of approximately 829,200 sq.m. at the average floor price of approximately RMB767 per sq.m. The project is located in area near the high-speed railway new city in Guangde County in Xuancheng of Anhui Province. The project is planned to be developed as an integrated community with high-speed railway that covers educational resources, hotel resources, industrial offices, characteristic businesses and ecological tourism.

In July 2019, the Group successfully acquired one plot of land in Zhenjiang of Jiangsu, at a consideration of approximately RMB312 million, with a planned GFA of approximately 157,735 sq.m. at the average floor price of approximately RMB1,980 per sq.m. for residential purpose.

In August 2019, the Group successfully acquired one plot of land in Wujiang of Jiangsu, at a consideration of approximately RMB1,728 million, with a planned GFA of approximately 213,690 sq.m. at the average floor price of approximately RMB8,086 per sq.m. The plot is located in Suzhou Bay, which belongs to the Wujiang Economic and Technological Development Zone, and the project will be developed for residential, commercial and hotel purposes.

In September 2019, the Group successfully acquired two plots of land in Changzhou of Jiangsu, with a planned GFA of approximately 226,386 sq.m. at the average floor price of approximately RMB4,541 per sq.m. The project is located in the area near Xinlong in Xinbei District in Changzhou. In the same month, the Group also won the bid for two adjacent parcels of land in Yushan Bay District in Jiangyin City in Wuxi of Jiangsu, at a consideration of approximately RMB1,192 million and RMB828 million respectively, with an aggregate planned GFA of approximately 380,391 sq.m. at the average floor price of approximately RMB5,311 per sq.m. The project, located in the core area of Yushan Bay District, which will be the sub-focus of future urban development of Jiangyin City, is the Group's first project developed in this area and will be developed for residential, commercial and hotel purposes. In addition, the Group successfully further acquired one plot of land in Nanning and the first plot of land in Qinzhou of Guangxi, with a planned GFA of approximately 236,000 sq.m. and 280,900 sq.m. and a site area of approximately 94,423 sq.m. and 73,358 sq.m., respectively, which will be developed for residential and commercial purposes.

In October 2019, the Group successfully acquired one plot of land in Yangzhou of Jiangsu, at a consideration of approximately RMB1,057 million, with a planned GFA of approximately 169,618 sq.m. at the average floor price of approximately RMB6,232 per sq.m. The project is located in the area near the canal in the southeastern part of Guangling District in Yangzhou City. As this is the first project developed by the Group in Yangzhou, the Group will cooperate with the government of Yangzhou with focus on the reservation and development of the industrial relics of Yangzhou, and also the effective protection and enhancement of its historical and cultural features, aiming to create industrial streets and districts with characteristic features of Yangzhou. In the same month, the Group successfully acquired the first plot of land in Wuzhou of Guangxi with a planned GFA of approximately 228,500 sq.m. and a site area of approximately 76,000 sq.m. The project will be developed for residential and commercial purposes.

In November 2019, the Group successfully acquired one plot of land in Wujiang Taihu New City in Suzhou of Jiangsu, the core area of the integration of the Yangtze River Delta region under the national strategy, at a consideration of approximately RMB1,018 million, with a planned GFA of approximately 64,691 sq.m. at the average floor price of approximately RMB15,737 per sq.m.

In December 2019, the Group successfully acquired one plot of land in the core area of High-tech Development Zone in Nantong City of Jiangsu Province, at a consideration of approximately RMB1,233 million, with a planned GFA of approximately 290,225 sq.m. at the average floor price of approximately RMB4,249 per sq.m.

In February 2020, the Group successfully won bids for two plots of land in Chenggong District and Xishan District in Kunming City with the planned GFA of approximately 216,200 sq.m. and 275,000 sq.m. at the total consideration of approximately RMB385 million and approximately RMB950 million, respectively, for residential and commercial purposes. The land parcel in Xishan district would be developed jointly with a subsidiary of Agile Group.

In March 2020, the Group further acquired a plot of land in ASEAN Economic Development Zone in Nanning of Guangxi, at a total consideration of approximately RMB137 million with a planned GFA of approximately 224,800 sq.m. for commercial, office and hotel purposes.

As at 30 March 2020, the Group held a land bank of approximately 21,370,000 sq.m., which was mainly strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta in China. The land bank that the Group holds is sufficient to support its development in recent years. The Group will continue to seek additional high-quality land projects with promising potential of development in the future.

Offshore Financing

On 17 July 2019, the Group successfully issued USD300 million 6% bonds due 2021, which was well received by investors in secondary market with a slight rise in price. The net proceeds from such issuance of bonds were mainly used for offshore debt refinancing.

OUTLOOK

In general, the national economy operated in a reasonable range over the past year, continuing an overall stable, steady and progressive development trend. The housing problem is not only related to the well- being of the residents, but also economic growth and financial stability. With the passage of time, the real estate control policy has become increasingly sophisticated, mature, effective and tailored to local conditions. Looking ahead to this year, downward pressure on the economy still exists. Vast economic uncertainty exists as the Sino-US trade war escalates and the COVID-19 pandemic sweeps. It is expected that China's real estate control policy will be stable, and targeted policies for specific cities will remain the fundamentals of real estate regulation.

From a holistic perspective, an external environment of grave difficulty and complexity will continue to confront the Company in year 2020. The Group shall pull together its strengths and insights to surmount hurdles and resolve difficulties, with unfailing enforcement of the mission of "sales performance, growth drivers, painstaking efforts and self-enhancement". The Group will strive to ceaselessly uplift its market competitiveness and foster high-quality corporate development. It will continuously advance the business strategy of "Real Estate +", establish property projects in sectors such as cultural and business tourism, sports life as well as medical and healthcare, further explore and preserve high-quality land parcels, penetrate the core cities in Pan-Yangtze River Delta and Pan-Pearl River Delta, proactively respond to China's national strategies, foster constructions under the Belt and Road initiative, arrange for key deployments in the Greater Bay Area, and steer efforts to regional constructions. At the same time, the Group will also expedite its old-town renovation projects, to gather new momentum for urban development. The Group will further solidify its operational and cost control, uplift efficiency, refine its 6+X brand series, cater to the multifaceted consumption needs of the property market, enhance its overall competitiveness and market influence, so as to lay a solid foundation for the ongoing and stable business development of the Group.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group increased by approximately 14% from approximately RMB15,444 million in 2018 to approximately RMB17,662 million in 2019, mainly due to the increase of sales of properties.

Sales of properties and construction management service, as the core business activities of the Group, generated revenue of approximately RMB16,995 million in 2019 (2018: approximately RMB14,831 million), accounting for approximately 96% of the total revenue and representing an increase of approximately 15% as compared with last year. The revenue from other segments of the Group included the income deriving from the lease of properties, property management and other services and the operation of hotel and related services.

	2019	**2018**	**Change**
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management service	16,994,592	14,831,329	2,163,263
Property management and other services	457,266	426,923	30,343
Hotel and related services	133,941	134,541	(600)
Leases – rental income	76,337	51,453	24,884
Total	**17,662,136**	**15,444,246**	**2,217,890**

Cost of Sales

Cost of sales increased by approximately 8% from approximately RMB11,306 million in 2018 to approximately RMB12,207 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit rose to approximately RMB5,455 million from approximately RMB4,138 million in 2018, representing an increase of approximately 32%, and margin rose from 27% to 31%, mainly attributable to the efficient management over the cost control of the Group.

Other Gains and Losses and Other Operating Expenses

Other gains and losses and other operating expenses declined from a loss of approximately RMB708 million in 2018 to approximately RMB273 million in 2019, mainly due to sharp decrease in foreign exchange loss resulted from the depreciation of Renminbi during the year ended 31 December 2019.

Operating Expenses

Due to the development and expansion of the Group, administrative expenses increased to approximately RMB703 million in 2019 from approximately RMB530 million in 2018, while selling and marketing costs declined to approximately RMB774 million in 2019 from approximately RMB811 million last year due to the control over promotion expenses.

Gain on Disposal of Interests in Subsidiaries

Gain on disposal of interests in subsidiaries was the gain arising from the equity disposal of Greenland Huangpu Center in Shanghai.

Finance Costs

Finance costs increased from approximately RMB187 million in 2018 to approximately RMB264 million in 2019. The increase was in line with the fluctuation in effective interest costs.

Gain on Changes in Fair Value of Investment Properties

The Group recorded fair value gains on investment properties of approximately RMB945 million, as compared with a gain of approximately RMB1,227 million in 2018. The fair value gains were mainly attributable to gain on investment properties in Shanghai in the PRC.

Income Tax Expenses

Income tax expenses increased to approximately RMB2,557 million in 2019 from approximately RMB1,750 million in 2018, mainly due to more enterprise income tax and land appreciation tax provision for the properties delivered with higher margin.

Profit for the Year and Profit Attributable to Owners of the Company

Profit for the year and profit attributable to owners of the Company rose to approximately RMB3,041 million and approximately RMB2,474 million, respectively in 2019, representing a year-on-year increase of approximately 54% and 43%, as compared with approximately RMB1,981 million and approximately RMB1,736 million, respectively in 2018, mainly attributable to an improvement in gross profit margin and the net gain arising from the completion of equity disposal of Greenland Huangpu Center in Shanghai.

Financial Position

As at 31 December 2019, the Group's total equity was approximately RMB16,591 million (31 December 2018: approximately RMB13,945 million), total assets amounted to approximately RMB99,270 million (31 December 2018: approximately RMB90,230 million) and total liabilities stood at approximately RMB82,679 million (31 December 2018: approximately RMB76,285 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been utilized to fund its business operations and project investment and development.

As at 31 December 2019, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) sharply decreased to the level of approximately 18% (31 December 2018: approximately 88%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB10,321 million, with total borrowings of RMB13,389 million and an equity base of approximately RMB16,591 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions conducted in the capital market, there is limited exposure to foreign exchange risk.

The Group has borrowings denominated in United States dollars and Hong Kong dollars, while its operating income is mainly denominated in RMB. During the year ended 31 December 2019, the depreciation of RMB put the Group's corporate financing costs and performance of earnings under pressure. The Group's financial results were accordingly affected to a certain degree. Therefore, as at 30 March 2020, the Group entered into forward foreign exchange contracts in an aggregate principal amount of US$200 million to hedge against the exchange risk arising from RMB against United States dollars. The Group will continue to monitor the trend of exchange rate of RMB against United States dollars, and adopt appropriate measures to hedge against the risk in foreign currency exchange.

The Group has established a treasury policy with the objective of enhancing its control over treasury functions and lowering its capital costs. In providing funds to its operations, terms of funding have been centrally reviewed and monitored at the Group level.

In order to minimize its interest risk, the Group continued to closely monitor and manage its loan portfolio through interests stipulated in its existing agreements which varied according to market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sales and lease of properties and were settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

As at 31 December 2019, the Group pledged its properties, land use rights and time deposits with carrying amount of approximately RMB16.5 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB8 billion.

Financial Guarantees

As at 31 December 2019, the Group provided guarantees to banks for:

	31 December 2019	31 December 2018
	RMB'000	*RMB'000*
Mortgage	13,361,488	11,561,273

Capital commitment

	31 December 2019	31 December 2018
	RMB'000	*RMB'000*
Property development business:		
– Contracted, but not provided for	11,821,276	13,487,602

Human Resources

As at 31 December 2019, the Group employed a total of 4,275 employees (31 December 2018: 3,722), among which approximately 2,231 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to a basic salary, year-end bonuses are offered to employees with an outstanding performance with an aim of attracting and retaining talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

FOR THE SIX MONTHS ENDED 30 JUNE 2020

BUSINESS REVIEW

Results

In the first half of 2020, the novel coronavirus ("**COVID-19**") pandemic raged around the world, which caused the global economy to struggle to restart. China's economy has also been affected without exception and GDP of China fell by 1.6% year-on-year in the first half of this year, so the enterprises in China experienced unprecedented challenges in terms of development. The central government has repeatedly emphasized the need to intensify counter-cyclical adjustments, maintain reasonable and abundant liquidity and develop prudent and positive monetary policies that are more flexible and appropriate to create a relatively loose financing environment for the industry. Regarding the regulation and control of the real estate industry, the central government adhered to the positioning of "no speculation on residential properties" and implemented measures to "stabilize land prices, stabilize housing prices and stabilize expectations". In the first half of 2020, as a result of the national control policies on the real estate sector issued by the central government and the improvement of China's pandemic prevention and control measures since the second quarter, the real estate market as a whole returned to stability in the first half of the year.

As the domestic pandemic is gradually under effective control, China's economy has been gradually recovering, and the real estate market will also benefit. The decreases in both finance costs for real estate companies and the housing purchase costs for residents are conducive to the recovery and development of the real estate market.

In the market that was subject to volatility due to the pandemic in the first half of 2020, the Group resolutely adopted effective measures and strategies to turn cash into land resources in time. Since the beginning of this year and up to 27 August 2020, the Group acquired a total of 13 land parcels, mainly located in the Yangtze River Delta and Yunnan Province, with a total GFA of approximately 2.53 million sq.m. further providing the sufficient support for sales resources in the second half of the year. In the period when the pandemic situation was temporarily alleviating, the Group resumed work and construction as soon as possible and made every effort to ensure the sufficient supply to sales resources on time to seize the time window to realize the hot sales of some projects such as those in Wuxi, Nantong and Yangzhou.

For the six months ended 30 June 2020, the total contracted sales of the Group amounted to approximately RMB13,272 million and the contracted GFA sold was 1,113,464 sq.m. The Group recorded total revenue of approximately RMB6,400 million, an increase of approximately 10% from the same period last year. Core net profit for the period was approximately RMB646 million, representing a year-on-year increase of approximately 24%. The balance of cash and cash equivalents (including restricted cash) remained stable at over RMB10 billion. The Board has resolved not to declare any dividends for the six months ended 30 June 2020.

For the six months ended 30 June 2020, the total GFA sold and delivered amounted to 457,992 sq.m., and the average selling price was approximately RMB13,212 per sq.m. Revenue derived from property sales was approximately RMB6,129 million, representing an increase of approximately 12% from approximately RMB5,457 million during the same period last year. The key projects completed and delivered in the first half of 2020 are as follows:

Project	City	Approximate GFA sold and delivered in 1H2020	Approximate sales recognized in 1H2020	Average selling price
		sq.m.	*RMB'000*	*RMB/sq.m.*
Greenland Sky Tree	Wuxi	62,178	1,358,487	21,848
Greenland Jiangnan Huafu	Suzhou	94,201	1,214,280	12,890
Greenland Central Plaza	Nanning	41,727	653,928	15,672
Haikou Greenland City	Haikou	62,102	528,571	8,511
Greenland Lakeside Villa	Xuzhou	47,547	446,503	9,391
Greenland Central Plaza	Jiaxing	31,585	394,370	12,486
Greenland Mountain Time	Foshan	18,258	335,185	18,358
Greenland Xiang Shu Hua Cheng	Kunming	32,596	268,184	8,228
Greenland Dongmeng International Town	Nanning	23,859	242,718	10,173
Greenland Central Culture Center	Haikou	16,128	238,473	14,786
Wuxiang Greenland Center	Nanning	8,831	87,356	9,892
Greenland Xi Shui Dong	Wuxi	2,783	81,608	29,324
Greenland Suzhou ONE	Suzhou	4,939	79,101	16,016
Greenland Shanding Park	Taiyuan	4,169	49,169	11,794
Greenland Bihu International	Ningbo	1,385	17,160	12,390
Greenland Yunduhui Square	Kunming	2,091	16,352	7,820
Greenland Taiping Lake Resort	Huangshan	1,996	14,786	7,408
Greenland Hai Chang Liu	Haikou	766	13,480	17,598
Others		851	11,360	13,349
Sub-total		**457,992**	**6,051,071**	**13,212**

Project	City	1H2020
		RMB'000
Greenland Central Plaza	Nanning	23,721
Greenland International Huadu	Nanning	9,876
Greenland Xiang Shu Hua Cheng	Kunming	9,239
Greenland Cifi City	Hangzhou	7,646
Greenland Jiangnan Huafu	Suzhou	7,243
Greenland Xi Shui Dong	Wuxi	7,179
Greenland The Florea	Haikou	5,747
Haikou Greenland City	Haikou	5,124
Others		2,031
Sub-total		**77,806**
Total property sales		**6,128,877**

Contracted Sales

Leveraging the strong brand influence, abundant resources, well-established system and advanced management practices, the Group actively developed high-quality projects, focused our efforts on improvement of the product series, and achieved well-targeted pricing strategy and product positioning. Affected by the macro economic environment, for the first six months of 2020, the contracted sales of the Company amounted to approximately RMB13,272 million with the corresponding contracted GFA sold amounting to 1,113,464 sq.m.

For the six months ended 30 June 2020, contracted sales of the Group mainly derived from the projects located in the key areas such as Yangtze River Delta and Pan-Pearl River Delta, of which mainly included the projects in Jiangsu Province, Guangxi Zhuang Autonomous Region, Yunnan Province and Zhejiang Province, respectively accounted for approximately 51%, 17%, 17% and 13% of the contracted sales. The contracted average selling price during the period was approximately RMB11,920 per sq.m.

Strategic Cooperation

On 24 February 2020, the Company and Agile concluded indepth cooperation to jointly develop a project with a planned GFA of 275,000 sq.m. located in Jinchan Area of Xishan District, the central downtown of Kunming. The project is positioned as a high-quality residential and high-end commercial complex. Both parties will leverage their respective advantages and share resources to bring new impetus to Kunming's urban development.

On 17 March 2020, the Company and the People's Government of Jinning District, Kunming City signed the Investment and Development Cooperation Agreement, reaching a cooperation consensus on the development of land in Jincheng Town, Jinning District, which marked the new achievement of the Group's major investments in Kunming. This signing officially unveiled the investment and development cooperation between the two parties, which means that the Company has taken another leap forward in its comprehensive healthcare business in the surrounding area of Dianchi sub-district, Kunming, and will comprehensively accelerate the formation of the "Healthy Kunming". Since the state put forward the "Belt and Road" national development cooperation strategy in 2013, Yunnan has been a radiating center for South Asia and Southeast Asia, and Kunming, as its provincial capital, is a gateway city to the outside world and has been placed high hopes for the city's leaping development. Kunming is now moving southward in its main urban development. Located in the southwest of Kunming, Jinning enjoys the unique advantage of surrounding Dianchi to boast scarce historical and cultural resources. The Group intended to build a comprehensive healthcare project in Jinning district that would integrate healthcare, scientific innovation and cultural tourism. Once implemented, the project will speed up the construction pace of "Healthy Kunming" and improve Kunming's city level in all aspects.

On 19 June 2020, the Education and Training Base in Pudong district of Institute of Cultural and Creative Industry of Shanghai Jiao Tong University was inaugurated in the Greenland International Education Park of the Greenland Seaside City of the Group in Shanghai, which marked the formal cooperation between Institute of Cultural and Creative Industry of Shanghai Jiao Tong University and the Company to jointly develop an industry chain cluster of education, cultural and creative industry and art. It will also help the Group to deepen and promote its "Real Estate +" strategy and focus on building a comprehensive industrial ecological chain for three major sectors of healthcare, cultural and business tourism and technology innovation.

Land Bank

In the first half of 2020, the Group seized the opportunity to strategically expand the land bank in core urban areas in the Yangtze River Delta and Yunnan Province through flexible and diverse land acquisition methods such as public bidding, strategic joint cooperation and mergers and acquisitions. Up to 27 August 2020, the Group has acquired 13 land parcels with a total of GFA of approximately 2.53 million sq.m. in 7 cities. The major acquisitions are as follows.

In April 2020, the Group successfully won a bid for a land parcel in Fuyang District, Hangzhou City at a total consideration of approximately RMB2.14 billion. The project has a planned GFA of approximately 181,700 sq.m. at an average floor price of approximately RMB11,778 per sq.m. The land is planned to be constructed as a complex project integrating office towers, commerce and residences, and will become a new landmark in the downtown of Fuyang in the future. In the same month, the Group entered into the agreement to form a joint venture to develop a land parcel located in Yancheng City, Jiangsu Province. The project has a GFA of approximately 318,000 sq.m. at an average floor price of approximately RMB2,856 per sq.m., mainly for residential and commercial purposes.

In May 2020, the Group successfully further acquired a land parcel in Yuhang District, Hangzhou City at a total consideration of approximately RMB1.313 billion. The project has a planned GFA of approximately 138,000 sq.m. at an average floor price of approximately RMB9,512 per sq.m. Upon completion, the project will become an important urban mixed development integrating residences, commerce, shopping and catering, which will further enhance the living standards of Chongxian New Town and help speed up the development of the northern part of Hangzhou.

In June 2020, the Group won bids for plots of land in Dayu area, Kunming at a total consideration of approximately RMB801 million. The project has a planned GFA of approximately 209,200 sq.m. at an average floor price of approximately RMB3,829 per sq.m. The project is located in the Dayu area of Kunming Dianchi National Tourism Resort surrounded by the convenient transportation facilities, close to natural landscape resources such as Dayu Park as well as the University Town area and many hospitals with complete living facilities. In the same month, the Group won a bid for a land parcel in Taihu New Town, Wujiang District, Suzhou city at a total consideration of approximately RMB1.402 billion. The project has a planned GFA of approximately 77,600 sq.m. at an average floor price of approximately RMB18,067 per sq.m. Located in the core location, the project has the top education, commerce, entertainment and leisure and medical supporting resources of Taihu New Town. In the future, it will be built into a high-end residential project in the sector.

Details of the land bank acquired by the Group subsequent to the year end of 2019 are as follows:

Date of Acquisition	**Location**	**Project type**	**Total Planned GFA** *(sq.m.)*
February 2020	Kunming	Residential/commercial	216,200
February 2020	Kunming	Residential/commercial	275,000
March 2020	Nanning	Commercial/office/hotel	224,800
April 2020	Hangzhou	Residential/commercial/office	181,700
April 2020	Yancheng	Residential/commercial	318,000
May 2020	Hangzhou	Residential/commercial/hotel	138,000
May 2020	Kunming	Residential/commercial	202,200
June 2020	Kunming	Residential/commercial	209,200
June 2020	Suzhou	Residential/commercial	72,000
June 2020	Suzhou	Residential	77,600
July 2020	Changzhou	Residential	138,000
July 2020	Suzhou	Residential	270,700
July 2020	Wuxi	Residential	207,300
Total			**2,530,700**

Up to 27 August 2020, the Group held a land bank of approximately 22 million sq.m. mainly strategically located in the prime zones of core cities in the Yangtze River Delta and Pan-Pearl River Delta, which is sufficient to support its development in the next two to three years. The Group will continue to seek additional high-quality land projects with promising development potential.

Offshore Financing

In July 2020, the Group successfully obtained a three-year offshore syndicated loan in USD and HKD for refinancing purposes and withdrew an aggregate amount equivalent to approximately USD200 million. The interest rate is LIBOR+3% for US dollar part and HIBOR+3% for HK dollar part.

Outlook

In general, China's economy is recovering from the impact from the COVID-19 due to the effective control over the pandemic. It is expected that the national economy will improve quarter by quarter in the second half of the year, and the real estate control policies will still focus on stability. Among them, to curb the financialization and bubblization of the real estate industry, short-term financial supervision may become more targeted. With the COVID-19, coupled with the ongoing Sino-US trade war, the pressure on overall economic growth is still relatively high. In the second half of 2020, the Group will consistently focus on its real estate business to strive to achieve high-quality development, adhere to strategic and diverse land acquisition methods to seize land purchase opportunities to further explore and preserve high-quality land parcels and penetrate the core cities in Yangtze River Delta and Pan-Pearl River Delta. Meanwhile, the Group will continue to improve the lean management, deeply promote the digital and technology-based management system of the Group, and build a big data platform, aiming to improve the technological management, enhance the overall competitiveness and market influence of the Group and lay a solid foundation for long-term business development.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for the first half of 2020 was approximately RMB6,400 million, representing an increase of approximately 10% compared with RMB5,802 million for the same period of 2019, mainly attributable to the increase of the revenue arising from the sales of properties.

Sales of properties, as the core business activity, generated revenue of approximately RMB6,129 million for the first half of 2020 (first half of 2019: approximately RMB5,457 million), accounting for approximately 96% of the total revenue and representing year-on-year increase of approximately 12%. The revenue of the Group from other segments included hotel operating income, income from property management and other services, and rental income from leased properties.

	1H2020	**1H2019**	**Change**
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management service	6,128,877	5,457,194	671,683
Property management and other services	189,014	236,206	(47,192)
Rental income	48,504	34,516	13,988
Hotel and related services	33,904	73,673	(39,769)
Total	**6,400,299**	**5,801,589**	**598,710**

Cost of Sales

Cost of sales increased by approximately 15% from approximately RMB3,739 million for the first half of 2019 to approximately RMB4,309 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Gross Profit Margin

Gross profit for the period increased to approximately RMB2,091 million from approximately RMB2,063 million for the first half of 2019, mainly attributable to the increase in the revenue for the six months ended 30 June 2020, while the gross profit margin declined from approximately 36% to approximately 33% for the first half of 2020.

Other Income, Other Gains and Losses, and Other Operating Expenses

Other income, other gains and losses, and other operating expenses decreased from a loss of approximately RMB125 million in the first half of 2019 to approximately RMB76 million for the same period in 2020, which mainly consisted of the foreign exchange loss resulted from the devaluation of Renminbi during the six months ended 30 June 2020.

Operating Expenses

Due to the efficient management over expenditure control of the Group, administrative expenses and selling and marketing costs decreased to approximately RMB317 million and approximately RMB241 million, as compared with approximately RMB363 million and approximately RMB320 million for the same period of 2019, representing a year-on-year decrease of approximately 13% and approximately 25%, respectively.

Net Finance Costs

Net finance costs increased slightly from approximately RMB39 million in the first half of 2019 to approximately RMB42 million in the first half of 2020.

Gains on the Change in Fair Value of Investment Properties

The Group recorded fair value gains on investment properties of approximately RMB181 million, as compared with gains of approximately RMB509 million for the same period of 2019. The decrease was mainly due to the disposal of investment property in Shanghai.

Income Tax Expenses

Income tax increased from approximately RMB844 million in the first half of 2019 by approximately 15% to approximately RMB973 million for the same period of 2020, mainly attributable to more enterprise income tax and land appreciation tax provision for the properties delivered for the period due to increase in sales of properties.

Profit for the Period and that Attributable to Owners of the Company

Profit for the period and that attributable to owners of the Company decreased to approximately RMB697 million and approximately RMB650 million, respectively, representing a year-on-year decrease of approximately 21% and 8%, as compared with approximately RMB880 million and approximately RMB706 million for the same period of 2019, mainly due to the decrease in the net gain arising from the changes in fair value of investment properties.

Financial Position

As at 30 June 2020, the Group's total equity was approximately RMB16,862 million (31 December 2019: RMB16,591 million), total assets amounted to approximately RMB108,575 million (31 December 2019: RMB99,270 million) and total liabilities stood at approximately RMB91,713 million (31 December 2019: RMB82,679 million).

Liquidity and Financial Resources

The Group's business operations, bank loans and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied in business operations and investment in development projects.

As at 30 June 2020, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) was approximately 38% (31 December 2019: approximately 18%) and total cash and cash equivalents (including restricted cash) amounted to approximately RMB10,333 million, with total borrowings of approximately RMB16,750 million and an equity base of approximately RMB16,862 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions in the capital market, there is limited exposure to foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering the costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at the Group level.

To minimize the interest risk, the Group continued to closely monitor and manage its loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled in accordance with the terms stipulated in the sale & purchase agreements and lease agreements.

Pledge of Assets

As at 30 June 2020, the Group pledged properties, land use rights and time deposits with a carrying value of approximately RMB25 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB13 billion.

Financial Guarantees

As at 30 June 2020, the Group provided guarantees to banks for:

	30 June 2020	**31 December 2019**
	RMB'000	*RMB'000*
Mortgage	15,661,450	13,361,488
Property development business:		
– Contracted, but not provided for	16,953,329	11,821,276

Human Resources

As at 30 June 2020, the Group employed a total of 4,300 employees (31 December 2019: 4,275), among which 2,171 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance to attract and retain talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET GROUP

The following management discussion and analysis should be read in conjunction with the accountants' report of Target Group for the years ended 31 December 2017, 31 December 2018, 31 December 2019 and the six months ended 30 June 2020 as set out in Appendix II to this circular.

BUSINESS REVIEW

The Target Company is a company established in the PRC with limited liability on 11 January 2011. As at the Latest Practicable Date, it is held as to 95% by Greenland Holding Group Company Limited* (綠地控股集團有限公司) and 5% by Greenland Real Estate Group Co. Ltd.* (綠地地產集團有限公司). The Target Group is principally engaged in the property development business.

Set out below is the management discussion and analysis of the Target Group for the three years ended 31 December 2019 and the six months ended 30 June 2020 (the "**Reporting Period**"). All references to "FY2017", "FY2018" and "FY2019" mean the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019, respectively. The following financial information is based on the Accountants' Report on the Target Group as set out in Appendix II to this circular.

FINANCIAL REVIEW

Revenue

The following table sets forth the Target Group's revenue by segment for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2017 (audited)		2018 (audited)		2019 (audited)		2019 (unaudited)		2020 (audited)	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
Types of goods or services										
Sales of properties	10,234,404	99.6%	11,050,039	99.4%	18,879,187	99.5%	5,382,362	98.9%	3,675,246	98.2%
Leases - rental income	18,837	0.2%	57,859	0.5%	62,685	0.3%	26,867	0.5%	41,236	1.1%
Others	19,529	0.2%	5,725	0.1%	38,547	0.2%	34,233	0.6%	25,245	0.7%
Total revenue	10,272,770	100.0%	11,113,623	100.0%	18,980,419	100.0%	5,443,462	100.0%	3,741,727	100.0%

For FY2017, FY2018, FY2019 and the six months ended 30 June 2019 and 2020, the revenue from sales of properties were approximately RMB10,234,404,000, RMB11,050,039,000, RMB18,879,187,000, RMB5,382,362,000 and RMB3,675,246,000, respectively, representing over 98.0% of the total revenue of the Target Company. The revenue increased steadily from RMB10,234,404,000 in FY2017 to RMB11,050,039,000 in

FY2018, representing an increase of 8.0%. The revenue increased from RMB11,050,039,000 in FY2018 to RMB18,879,187,000 in FY2019, representing an increase of 70.9%, mainly due to expansion of the scale of the Target Group and significant increase in sales of properties, including large-scale projects such as 綠地金融城項目, 佛山香榭花苑項目 and 廣州國際空港項目. Revenue of these projects increased by RMB1,251,872,000, RMB2,946,206,000 and RMB2,442,496,000 in FY2019, as compared to the revenue of FY2018. The revenue from the sales of properties decreased from RMB5,382,362,000 for the six months ended 30 June 2019 as compared to RMB3,675,246,000 in six months ended 30 June 2020, representing a decrease of 31.7%, due to the significant impact of the COVID-19 pandemic on both the economy and resumption of work after Chinese New Year, which resulted in delay in project construction progress and decline in recent sales increase.

Cost of sales

The cost of sales incurred by the Target Group represented the cost of the property development business, which mainly comprised land costs, construction costs, capitalized finance costs and sales tax. The Target Group recorded cost of sales of approximately RMB7,865,316,000, RMB7,863,865,000, RMB13,637,310,000, RMB3,924,233,000 and RMB2,437,519,000, respectively in FY2017, FY2018, FY2019 and the six months ended 30 June 2019 and 2020. The cost of sales remained stable from approximately RMB7,865,316,000 for the FY2017 to approximately RMB7,863,865,000 for FY2018. The cost of sales business surged from approximately RMB7,863,865,000 for the FY2018 to approximately RMB13,637,310,000 for FY2019, representing an increase of 73.4%, due to significant increase in sales of properties as the Target Group recognize its cost when the respective revenue from sale of property have been recognized in accordance with the accounting policies. The cost of sales business decreased from approximately RMB3,924,233,000 for the six months ended 30 June 2019 to approximately RMB2,437,519,000 for the six months ended 30 June 2020, representing a decrease of 37.9%, due to the significant impact of the COVID-19 pandemic on both the economy and resumption of work after Chinese New Year, which resulted in delay of project construction progress. The decrease in the business cost of property development business was broadly aligned with the extent of decrease in sales of the same period.

Net other income and gains

The Target Group recorded net other income and gains of approximately RMB9,444,000 in FY2017, mainly attributable to the Headquarters Economy Award Grant (總部經濟獎勵補貼) paid by Guangzhou Municipal Finance Bureau and liquidated damages received for changes in customer names. Net other income and gains of approximately RMB1,195,000 was recorded in FY2018, mainly attributable to income of disposal of raw materials. Net other income and gains of approximately RMB12,648,000 was recorded in FY2019, mainly attributable to insurance compensation amounting to RMB9,248,369. Net other income and gains of RMB1,711,000 was recorded for the six months ended 30 June 2020, mainly representing liquidated damages received for changes in customer names.

Net valuation gain on investment properties

The Target Group recorded net valuation losses on investment properties of approximately RMB41,000,000 in FY2017. The Target Group recorded net valuation gain on investment properties of approximately RMB33,316,000, and RMB23,299,000 in FY2018 and FY2019 respectively. The fair value loss of approximately RMB41,000,000 for FY2017 was mainly contributed by losses on investment properties in Baiyun District and Luogang District, Guangzhou. The fair value gain of approximately RMB33,316,000 for FY2018 represented the net amount after offsetting gains on investment properties in Nanhai District, Foshan against losses on investment properties in Baiyun District and Luogang District, Guangzhou. The fair value gain of approximately RMB23,299,000 for FY2019 was mainly contributed by losses on investment properties in Chancheng District and Nanhai District, Foshan and Baiyun District and Luogang District, Guangzhou.

The Target Group recorded net valuation losses on investment properties of approximately RMB122,724,000 and RMB30,661,000 for the six months ended 30 June 2019 and 2020. The fair value loss of RMB122,724,000 for the six months ended 30 June 2019 was mainly due to losses on investment properties in Chancheng District and Nanhai District, Foshan and Baiyun District and Luogang District, Guangzhou. The fair value loss of RMB30,661,000 for the six months ended 30 June 2020 represented the net amount after offsetting gains on investment properties in Chancheng District, Foshan against losses on investment properties in Nanhai District, Foshan and Baiyun District and Luogang District, Guangzhou.

Administrative and other operating expenses

The administrative and other operating expenses incurred by the Target Group mainly represented labour costs, operation and management costs of company etc.

The Target Group recorded administrative and other operating expenses of approximately RMB147,212,000, RMB160,434,000, RMB393,613,000, RMB98,891,000, and RMB153,456,000, respectively in FY2017, FY2018, FY2019 and the six months ended 30 June 2019 and 2020. The administrative and other operating expenses increased steadily from approximately RMB147,212,000 for FY2017 to RMB160,434,000 for FY2018, mainly due to increase in sales. The administrative and other operating expenses increased from approximately RMB160,434,000 for FY2018 to RMB393,613,000 for FY2019, mainly due to increase in employee compensation, which was in turn due to (i) increase in materialized incentives as a result of surge in sales; and (ii) larger number of employees in FY2019. The administrative and other operating expenses increased from approximately RMB98,891,000 for the six months ended 30 June 2019 to RMB153,456,000 for the six months ended 30 June 2020, mainly for the reason that the number of employees of the Target Group increased by more than 300 at the beginning of 2020 as compared to the beginning of 2019, leading to an increase of RMB33,941,000 in labour cost in the first half of 2020 as compared to the first half of last year.

Finance costs

The finance costs incurred by the Target Group mainly represented interest from borrowings.

The Target Group's finance costs in FY2017 amounted to approximately RMB450,816,000. While finance costs in FY2018 amounted to approximately RMB249,363,000, representing a decrease of approximately 44.67% compared to 2017 mainly due to loan settlement. The Target Group's finance costs in FY2019 amounted to approximately RMB126,330,000, representing a decrease of approximately 44.7% compared to 2018 mainly due to loan settlement. For the six months ended 30 June 2019 and 2020, the Target Group recorded finance costs of RMB70,836,000 and RMB43,598,000 respectively, representing a decrease of 38.45% mainly due to loan settlement.

Profit/Loss for the year/period

The Target Group recorded profit for the year of approximately RMB276,933,000, RMB1,098,222,000, RMB2,669,958,000, RMB991,479,000, and RMB499,722,000, respectively in FY2017, FY2018, FY2019 and the six months ended 30 June 2019 and 2020.

The profit for the year of the Target Group increased from approximately RMB276,933,000 in FY2017 to approximately RMB1,098,222,000 in FY2018 mainly due to increase in selling price driven by the booming market, resulting in higher gross profits of products. The profit for the year of the Target Group increased from approximately RMB1,098,222,000 in FY2018 to approximately RMB2,669,958,000 in FY2019 mainly due to expansion of the scale of the Target Group and significant increase in sales, resulting in an increase in profit. The profit for the year of the Target Group decreased from approximately RMB991,479,000 for the six months ended 30 June 2019 to approximately RMB499,722,000 for the six months ended 30 June 2020 mainly due to rise in the price of land and the COVID-19 pandemic, which resulted in decline in recent sales increase, increase in labour cost due to a higher number of employees, resulting in the decrease in profit margin.

Capital structure, liquidity and financial resources

During the Reporting Period, the Target Group's bank balances and cash as at 31 December 2017, 31 December 2018 and 31 December 2019 and 30 June 2020 were approximately RMB5,905,934,000, RMB6,400,314,000, RMB4,718,144,000 and RMB3,082,436,000, respectively. The main source of the Target Group's bank balances and cash during the Reporting Period were cash from operating activities and cash from financing activities. For the three years ending 31 December 2019, the six months ending 30 June 2019 and as of 30 June 2020, the Target Group's net cash from operating activities amounted to RMB5,525,173,000, RMB3,147,677,000, negative RMB1,223,291,000, negative RMB1,232,276,000 and RMB110,267,000, respectively. The cash inflows were mainly derived from profit for the year/period, proceeds from pre-sale of property development business and increase in trade and other payables. The Target Group's cash from financing activities during the same period were negative RMB517,843,000, negative RMB8,775,026,000, RMB3,182,548,000, RMB2,691,888,000 and negative RMB1,094,572,000, respectively. The inflow of financing activities mainly came from the proceeds of interest-bearing loans, advance payments from related parties, and advances from equity holders. As at 31 December 2017, 2018 and 2019 and 30 June 2020, the Target Group's interest-bearing loans amounted to approximately RMB14,717,640,000, RMB11,298,040,000, RMB7,536,630,000 and RMB7,275,390,000 respectively (effective interest rate ranges from 4.75% to 14.00% per annum). As at 31 December 2017, 2018 and 2019 and 30 June 2020, the Target Group's advances from equity holders amounted to approximately RMB9,190,589,000, RMB662,294,000, RMB5,699,719,000 and RMB5,814,714,000, respectively. Amount due to equity holders are unsecured, non-interest bearing and repayable on demand.

During the Reporting Period, the Target Group did not have any formal hedging policies and no financial instrument was used for hedging purpose.

As at 31 December 2017, 31 December 2018 and 31 December 2019 and 30 June 2020, the Target Group recorded net current liabilities of approximately RMB4,332,729,000, RMB7,959,601,000, RMB9,963,610,000 and RMB10,086,175,000 respectively and the net current liabilities were mainly attributable to: (i) the Target Group's long-term bank borrowings due for repayment within one year or after one year but contained a repayable on demand clause; and (ii) the amounts due from an equity owner, which were repayable on demand. As at 31 December 2017, 2018 and 2019 and 30 June 2020, the Target Group's gearing ratio was approximately 170.6%, 109.7%, 35.8% and 47.5% respectively.

Employee and Remuneration Policies

As at 31 December 2017, 2018 and 2019 and 30 June 2020, the Target Group employed a total of 927, 1,247, 1,571 and 1,170 employees respectively. The Target Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance to attract and retain talent. The Target Group also provides various training programs to improve their skills and develop their respective expertise.

Future plans for material investments or capital assets

As at 30 June 2020, the Target Group did not have any future plans for material investments or capital assets.

Increase in Land Bank

During the Reporting Period, the Target Group strategically and systematically increased land bank in the Greater Bay Area and Guangdong prime zones. In line with the Company's development strategy, the land bank will be used for the development of high quality residential, commercial, hotel and office buildings.

On 6 and 8 May 2019, the Target Group acquired a land parcel in Guangqing Industrial Park (廣清產業園) in Qingyuan, Guangdong Province at a total price of RMB1.02 billion. The project is located at the junction of Guangzhou, Qingyuan and Foshan. It is an expansion area of the Sino-Singapore Knowledge City in Guangzhou Development Zone, which is an important vehicle to undertake the industrial transformation of Guangzhou Development Zone and a large-scale urban complex project with a planned total GFA of 815,862 square meters. The project is a large-scale urban complex comprising residential, commercial, office and hotel developments.

On 10 May 2019, the Target Group acquired a land parcel of Sino-Singapore Guangzhou Knowledge City International Innovation Drive Centre (中新廣州知識城國際創新驅動中心) in Guangzhou at a total price of RMB2.282 billion. The project is located in the Chengnanqibu Area (城南起步區) of Sino-Singapore Knowledge City, Guangzhou Development Zone. It has a high regional strategic positioning and is a regional benchmark commercial-office complex project. The project has a planned total GFA of 715,251 square meters and comprises offices, apartments and hotels developments.

On 9 July 2019, the Target Group acquired a land parcel at the east of Suhe Road and north of Binhu Road, Xijiang New City, Gaoming District, Foshan at a total price of RMB394 million. The project is located in Xijiang New City, Gaoming District, Foshan and will be the future urban core of Gaoming District. The project has excellent environmental resources with Minghu Park on its west side and the outstanding river view of Xijiang on its east side with a total planned GFA of 275,134 square meters and mainly comprises residential, commercial, office and hotel developments.

On 12 June 2019, the Target Group acquired a comprehensive development land parcel in the central business district of Rongjiang New Town, Jieyang City, Guangdong Province at a total price of RMB1.65 billion. The project has a planned total GFA of 1,293,586 square meters and is a large-scale urban complex project comprising residential, office, commercial and hotel developments.

On 29 September 2018, the Target Group acquired a land parcel in the Shimin District of Maoming Hi-tech Industrial Development Zone (茂名高新區) at a total price of RMB731.0 million. The project has a planned total GFA of 436,911 square meters and comprises residential, office, commercial and hotel developments.

On 3 December 2018, the Target Group won the bid of the land parcel No. SDK-A2-2 in Huangpu District, Guangzhou at a total price of RMB1.78 billion. The project is a piece of rare pure residential land in Guangzhou with a planned total GFA of 229,306 square meters and mainly comprises residential development.

On 31 January and 1 February 2018, the Target Group acquired a land parcel in the Yangjiang high-speed rail business district (陽江高鐵商務區) at a total price of RMB2.19 billion. The project is a mega urban complex project next to the high-speed railway. The Target Group is committed to building an inter-city hub in Yangjiang. The project has a planned total GFA of 1,600,923 square meters and comprises residential, office, commercial, and hotel developments.

On 26 December 2017, the Target Group acquired a land parcel in Nanbin Zone, Zhongxin Benhai New Town, Haojiang District, Shantou at a total price of RMB188.0 million. The project will be built as a super high-rise landmark in Shantou and has a planned total GFA of 184,286 square meters, mainly comprising offices, apartments, etc.

On 19 December 2017, the Target Group acquired a land plot in the central business area of Ebu District (鵝埠片區), Shenshan Cooperation Zone, Guangdong Province at a total price of RMB295.0 million. The project, located at Shenshan Cooperation Zone, the first special cooperation zone in China, enjoys the management authority of prefecture-level city. It is jointly governed by the municipal governments of Shenzhen and Shanwei and is of great significance in terms of future strategy. The project has a total planned GFA of 204,916 square meters and mainly comprises offices, apartments, hotels developments.

On 24 June 2017, the Target Group acquired the entire equity interest of Jiangmen Lvxiao Real Estate Development Co., Ltd. (江門綠驍房地產開發有限公司) and Jiangmen Lvrui Real Estate Development Co., Ltd. (江門綠睿房地產開發有限公司) at a consideration of RMB2.26 billion. The planned GFA of the project is 756,958 square meters. Located in the urban area of Heshan and surrounded by Heshan Park, the project has ecological and landscape resources rare in the region. It comprises townhouses, stacked townhouses, high-rise residential buildings and commercial buildings.

On 30 September 2017, the Target Group acquired 90% of interest in Zhanjiang Linghang Real Estate Development Co., Ltd. (湛江市領航房地產開發有限公司) at a consideration of RMB417.0 million. The planned GFA of the project is 408,046 square meters. The project is located in Potou District, Zhanjiang, in close proximity to the urban area and Potou Diyi Secondary School (坡頭第一中學). It enjoys landscape resources of sea view on the west side with convenient transportation, auxiliary facilities and thriving living atmosphere and comprises residential buildings and retails.

Capital Commitment

As at 31 December 2017, 2018 and 2019, and 30 June 2020, the Target Group does not have any capital commitment.

Charges on assets

As at 31 December 2017, 2018 and 2019 and 30 June 2020, the Target Group had pledged properties under development with a carrying amount of RMB7,135,398,000, RMB7,727,966,000, RMB10,590,440,000 and RMB8,916,774,000 respectively to secure general banking facilities and bank loans granted to the Target Group.

Contingent liabilities

The contingent liabilities of the Target Group consists of provision of mortgage facilities for certain purchasers of property units and financial guarantees to secure repayment obligations of such purchasers. As at 31 December 2017, 2018 and 2019, and 30 June 2020, the outstanding guarantees amounted to RMB8,340,531,000, RMB9,038,889,000, RMB11,168,986,000 and RMB10,739,844,000.

Foreign exchange exposure

For the Reporting Period, the Target Group was not exposed to any material foreign currency risk as most of its business transactions, assets and liabilities were denominated in RMB.

Prospects

As at the Latest Practicable Date, the Target Group held 34 properties in Guangdong Province, of which 28 properties were in the Greater Bay Area. The Target Group did and will focus on the property development in Guangdong Province, including Greater Bay Area.

The following is the text of a letter, summary of valuations and valuation reports prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market values in existing state of the Properties in the PRC as at 30 September 2020.

CUSHMAN & WAKEFIELD
戴德梁行

16/F Jardine House
1 Connaught Place
Central
Hong Kong

25 November 2020

The Directors
Greenland Hong Kong Holdings Limited
No. 193 Xiehe Road
Changning District
Shanghai
the People's Republic of China

Dear Sirs,

Instructions, Purpose & Valuation Date

We refer to the instructions of Greenland Hong Kong Holdings Limited (the "Company") for Cushman & Wakefield Limited to prepare market valuation of the Properties of Guangzhou Greenland Real Estate Development Co. Ltd.* (廣州綠地房地產開發有限公司) (the "Target Company") and its subsidiaries (together referred to as the "Target 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 consider necessary for the purpose of providing the Company with our opinion of the market values in existing state of the Properties as at 30 September 2020 (the "Valuation Date").

Definition of Market Value

Our valuations of each of the Properties represent its Market Value which in accordance with HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors ("HKIS") is defined 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 and where the parties had each acted knowledgeably, prudently and without compulsion".

We confirm that the valuation is undertaken in accordance with HKIS Valuation Standards 2017.

Our valuation of the Properties are on an entirety interest basis.

* *For identification only*

Valuation Basis & Assumptions

Our valuations 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 value available only to a specific owner or purchaser.

In the course of our valuations of the Properties situated in the PRC, with reference to the PRC Legal opinion of the legal adviser, JunHe LLP (君合律師事務所), we have prepared our valuation on the basis that transferable land use rights in respect of the Properties for its specific term at nominal annual land use fees have been granted and that any premium payable have already been fully paid. We have relied on the information and advice given by the Target Company and the PRC legal opinion of the Company's legal adviser, dated 25 November 2020, regarding the title to the Properties and the interest in the Properties. In valuing the Properties, we have prepared our valuation on the basis that the owner has enforceable title to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired terms as granted.

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 an onerous nature which could affect its value.

Method of Valuation

In valuing the Properties which are held by the Target Group for sale in the PRC, we have mainly used Market Comparison Method assuming sale of the Properties in its existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

In valuing the Properties which are held by the Target Group for investment in the PRC, we have adopted Investment Method by capitalising the rental derived from the existing tenancies with due provision of the reversionary rental potential of the Properties, or where appropriate, by Direct Comparison Method assuming sale of the Properties in its existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

In valuing the Properties which are held by the Target Group under development and for development in the PRC, we have valued each of the Properties on the basis that it will be developed and completed in accordance with the latest development proposals provided to us by the Target Group. We have valued on the basis that all consents, approvals, and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays; that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities. In arriving at our valuations, we have adopted Market Comparison Method by making reference to comparable sales transactions as available in the relevant market and, where appropriate, have also taken into account the expended construction costs as well as the costs that will be expended to complete the developments. The "Market Value as if completed" represents our opinion of the aggregate value of the development assuming that it was completed as at the Valuation Date.

In valuing the Properties which are held by the Target Group for development (as if Real Estate Title Certificate has been obtained) in the PRC, we have mainly used Market Comparison Method assuming sale of the Properties in its existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

We have attributed no commercial value to the Properties in Group V which are held pending for Title Certificate by the Target Group in the PRC as the land use rights certificate of the Properties or appropriate approval have not been obtained. As per the Company's instructions, for reference purpose, we have provided a hypothetical value for reference by Market Comparison Method assuming the Target Group had obtained the State-owned Land Use Rights Certificate or appropriate approval, and been entitled to transfer the Properties and all land premium or other onerous payment had been fully settled to the government.

Market Comparison Method is a commonly used method for the Properties held for sale or development, there are relevant comparable sales evidence for reference to arrive at the market value. Market Comparison Method rests on the wide acceptance of the market evidence as the best indicator that can be extrapolated to similar properties, subject to allowances for variable factors. Investment Method is appropriate for valuation of the Properties with tenancy terms and conditions. Investment Method estimates the values of the Properties on a market basis by capitalising the existing rental of all lettable units of each of the Properties for the respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the Valuation Date. The use of Market Comparison Method and Investment Method is in line with the market practice.

The comparables selected by us are exhaustive. In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Properties and the comparable properties. The general basis of adjustment is if the Properties are better than the comparable properties, an upward adjustment is made. Alternatively, if the Properties are inferior or less desirable than the comparable properties, a downward adjustment is made.

Our key assumptions used in the Valuation are summarised as below:

Market Comparison Method

Use	Unit Value RMB/sq m/Carpark
Residential	6,600 to 58,000
Office	5,500 to 50,000
Commercial	5,900 to 58,000
Land accommodation value	670 to 4,400
Carpark	40,000 to 360,000

Investment Method

Use	Unit Rent RMB/sq m/month	Capitalisation Rate
Commercial	34 to 78	4.5% to 5%

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Target Group and the legal adviser of the Company regarding the title to the Properties and the interests of the Target Group in the Properties. We have accepted advice given by the Target Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, tenancy details, development scheme, completion date of buildings, number of parking spaces, interest attributable to the Target Group, site and floor areas, and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to us by the Target Group and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided by the Target Group which is material to the valuation. We were also advised that no material facts have been omitted from the information provided to us.

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 by the Target Group 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; we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Properties in the PRC and we have therefore relied on the advice given by the PRC Legal adviser and the Target Group.

Site Inspection

Our Guangzhou Office valuers, Mr. Andy He (14 years of valuation experience, MRICS) and Ms. Aileen Zhang (6 years of valuation experience) have inspected the exterior and, wherever possible, the interior of the Properties in November 2019. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. 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 expenses or delays will be incurred during the construction period. We are, however, not able to report that the Properties are free of rot, infestation or other structural defects. No test was carried out on any of the services. Our valuation is prepared on the assumption that these aspects are satisfactory.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi ("RMB"), the official currency of the PRC.

Other Disclosure

We hereby confirm that we and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

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 published by the Stock Exchange of the Hong Kong Limited.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Market Uncertainty Alert	The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuations of the Properties are valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuation when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.
Intended Use and User of Report	This valuation report is issued for the use of the Company for the purpose of incorporating into the circular only.

We attach herewith Summary of Valuations and Valuation Reports.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Director
Valuation & Advisory Services

Note: Philip C.Y. Tsang is a Member of HKIS and a Registered Professional Surveyor (General Practice). Mr. Tsang has over 27 years of experience in the professional property valuation and advisory services in the PRC. Mr. Tsang has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

Summary of Valuations
Valuation Date: 30 September 2020

Abbreviation:
Group I: Properties held for sale by the Target Group in the PRC
Group II: Properties held under development by the Target Group in the PRC
Group III: Properties held for future development by the Target Group in the PRC
Group IV: Properties held for investment by the Target Group in the PRC
Group V: Properties held pending for Title Certificate by the Target Group in the PRC
"–" or N/A: Not Applicable or not available

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD01	The unsold portion of Dali Greenland Chanson De Terre ("Dali Project"), Lot No. TD2016 (NH) WG0001, West of Sports West Road and south of Sports South Road, Taiping Community, Dali Town, Nanhai District, Foshan City, Guangdong Province, the PRC	111,000,000						**111,000,000**	100	**111,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD02	The unsold portion of Lishui Greenland Cree and Flower of the City ("Lishui Project"), No. 99 Lishi Avenue South, Lot of Diecui Mountain Villa, Shayong Residents Committee, Lishui Town, Nanhai District, Foshan City, Guangdong Province, the PRC	141,000,000						**141,000,000**	70	**98,700,000**
GD03	Greenland Metropolis Project, Junction of Xinchang Avenue and South Huangchang Road, Luwu Village, Changping Town, Dongguan, Guangdong Province, the PRC	197,000,000						**197,000,000**	60	**118,200,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD04	Greenland Garden City Project, No. 2-12 Renmin East Road, Shaping, Heshan, Guangdong Province, the PRC	276,000,000	1,681,000,000					**1,957,000,000**	100	**1,957,000,000**
GD05	Greenland Garden Family Project, Louchong, Shaping Street, Heshan, Guangdong Province, the PRC		1,480,000,000					**1,480,000,000**	100	**1,480,000,000**
GD06	City of Elite, South of Kaiyuan Avenue and east of Yunfeng Road, Huangpu District, Guangzhou, Guangdong Province, the PRC		2,351,000,000					**2,351,000,000**	60	**1,410,600,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD07	Guangzhou International Innovation Driving Center, South of Zhishi Avenue, East of Yongjiu Express, Huangpu District, Guangzhou, Guangdong Province, the PRC					No commercial value	2,447,000,000	**2,447,000,000**	51	**1,247,970,000**
GD08	The property numbers are according to the internal reference number of the Target Company, GD08 has completed construction, sales and delivery to independent property purchasers before the Valuation Date and is thus excluded from our valuation. GD08 is kept deliberately but no property here just to avoid the change of other property numbers.									

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD09	Huichuang Project, 1633 Beitai Road, Baiyun District, Guangzhou, Guangdong Province, The PRC	104,000,000						**104,000,000**	100	**104,000,000**
GD10	New Center, No. 5 Caotang Road, Taihe Town, Baiyun District, Guangzhou, Guangdong Province, the PRC		2,217,000,000					**2,217,000,000**	100	**2,217,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD11	The unsold portion of Chencun Greenland Shangpin Garden ("Chencun Project"), Lot No. 200088-101, North of Fochen Road, Nanyong, Chencun Town, Shunde District, Foshan City, Guangdong Province, the PRC	90,000,000						**90,000,000**	100	**90,000,000**
GD12	The unsold portion of Greenland Future City ("Greenland Future City Project") Located at the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan City, Guangdong Province, the PRC	71,000,000	2,572,000,000					**2,643,000,000**	100	**2,643,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD13	The unsold portion of Chancheng Greenland Center ("Chancheng Project") Located at 15 Jihua Six Road, Chancheng District, Foshan City, Guangdong Province, the PRC	1,116,000,000	160,000,000		200,000,000			**1,476,000,000**	100	**1,476,000,000**
GD14	The unsold portion of Shishan Greenland Xiangxie Garden ("Shishan Project") Located at No. 10 Sanhuan East Road, Xiaotang, Shishan Town, Nanhai District, Foshan City, Guangdong Province, the PRC	118,000,000						**118,000,000**	70	**82,600,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD15	Greenland International Airport City, Jianshe Avenue, Rongjiang New Town, Jieyang, Guangdong Province, the PRC		843,000,000	88,000,000		No commercial value	663,000,000	**1,594,000,000**	100	**1,594,000,000**
GD16	Baiyun Greenland Centre Project, No. 888 Yuncheng West Rd, Baiyun District, Guangzhou, Guangdong Province, The PRC	374,000,000						**374,000,000**	100	**374,000,000**
GD17	Greenland Financial City, No. 662, Huangpu Avenue, Tianhe District, Guangzhou, Guangdong Province, the PRC	1,211,000,000				No commercial value	482,000,000	**1,693,000,000**	100	**1,693,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD18	Greenland Four Seasons Impression Garden, West of Panzhou Avenue, Shimin District, Maoming, Guangdong Province, the PRC		1,532,000,000					**1,532,000,000**	100	**1,532,000,000**
GD19	Greenland Xinli Haiyue Garden, No. 618 Maguan Road, Potou District, Zhanjiang, Guangdong Province, the PRC		1,226,000,000					**1,226,000,000**	90	**1,103,400,000**
GD20	Guangqing International City (Lot No.1,2,3,4,5), Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC		1,027,000,000 (GD20a\GD20d)			No commercial value	633,000,000 (GD20b\GD20c\GD20e)	**1,660,000,000**	60	**996,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* Group I:	Market Value in existing state as at the Valuation Date *RMB* Group II:	Market Value in existing state as at the Valuation Date *RMB* Group III:	Market Value in existing state as at the Valuation Date *RMB* Group IV:	Market Value in existing state as at the Valuation Date *RMB* Group V:	Hypothetical Value for reference as at the Valuation Date *RMB* Group V:	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD21	Zone A, B, C, D, E, F, G, H, J and K of Yangjiang Intercity Project, Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC		3,028,000,000 (GD21a\GD21b\GD21c)	621,000,000 (GD21d\GD21e)				**3,649,000,000**	100	**3,649,000,000**
GD22	The unsold portion of Shunde Greenland Center ("Shunde Project") Lot No. 39, Yunjin East Area, Daliang Street, Shunde District, Foshan City, Guangdong Province, the PRC	50,000,000	944,000,000					**994,000,000**	100	**994,000,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD23	The unsold portion of Vanke Greenland Jinyu Zhongyang ("Jinyu Zhongyang Project") Block B23 and B24, Financial Zone C, Guicheng, Nanhai District, Foshan City, Guangdong Province, the PRC	601,000,000			408,000,000			**1,009,000,000**	50	**504,500,000**
GD24	Greenland Center SGC, South of Tongxin Road, Shen Shan Cooperation Zone, Shenzhen City, Guangdong Province, the PRC		674,000,000					**674,000,000**	100	**674,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD25	Greenland Center STGC, Lot No. 020402, and 020405 Nanbin Zone, Zhongxin Binhai New Town, Haojiang District, Shantou, Guangdong Province, the PRC		524,000,000					**524,000,000**	100	**524,000,000**
GD26	International Airport Center (Phase 1, 2, 3, 4, 5, 6, 7), Yingbin Avenue, Huadu District, Guangzhou, Guangdong Province, The PRC	1,808,000,000 (GD26c)	1,017,000,000 (GD26a\GD26b)					**2,825,000,000**	70	**1,977,500,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD27	Phase I and II Shenzhen Guangming Greenland Metropolis, No. 381 Guangming Street, Shenzhen City, Guangdong Province, the PRC		1,264,000,000			No commercial value	2,505,000,000	**3,769,000,000**	67	**2,525,230,000**
GD28	Huadu Xinlitixiang Mansion Project, No.178 Jianshe North Rd, Huadu District, Guangzhou, Guangdong Province, The PRC	142,000,000						**142,000,000**	100	**142,000,000**

No.	Property	Market Value in existing state as at the Valuation Date *RMB* **Group I:**	Market Value in existing state as at the Valuation Date *RMB* **Group II:**	Market Value in existing state as at the Valuation Date *RMB* **Group III:**	Market Value in existing state as at the Valuation Date *RMB* **Group IV:**	Market Value in existing state as at the Valuation Date *RMB* **Group V:**	Hypothetical Value for reference as at the Valuation Date *RMB* **Group V:**	The total Market Value and Hypothetical Value in existing state as at the Valuation Date *RMB*	Interest attributable to the Target Group *%*	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date *RMB*
GD29	Greenland Smart Plaza, No. 112 Kexue Avenue, Huangpu District, Guangzhou, Guangdong Province, the PRC	823,000,000						**823,000,000**	70	**576,100,000**
GD30	Pearl Mansion, Xishan Village, Zengjiang Street, Zengcheng District, Guangzhou, Guangdong Province, The PRC	2,739,000,000						**2,739,000,000**	100	**2,739,000,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD31	Guangzhou Greenland City Zhongxin Project (Yunchuang Yuan, Yichuang Square, Boyu Wan, Lvdi Fengyuwan, Lingchuang Yuan), West side and east side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province, the PRC	1,497,000,000	1,114,000,000					**2,611,000,000**	60	**1,566,600,000**
GD32	Haiyue Garden, Lot No. AH050107, Guangzhi North 1st Road, Haizhu District, Guangzhou, Guangdong Province, the PRC	856,000,000						**856,000,000**	50	**428,000,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD33	Greenland Times Yunduhui Project, No. 123 Huangyuan Road, Baiyun District, Guangzhou, Guangdong Province, the PRC	109,000,000						**109,000,000**	50	**54,500,000**
GD34	Poly Greenland Metropolis Project, No. 35 Jinlong Road, Jinzhou Community, Nansha Street, Nansha District, Guangzhou, Guangdong Province, the PRC	99,000,000						**99,000,000**	50	**49,500,000**

No.	Property	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Market Value in existing state as at the Valuation Date	Hypothetical Value for reference as at the Valuation Date	The total Market Value and Hypothetical Value in existing state as at the Valuation Date	Interest attributable to the Target Group	The total Market Value and Hypothetical Value in existing state attributable to the Target Group as at the Valuation Date
		RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*%*	*RMB*
		Group I:	**Group II:**	**Group III:**	**Group IV:**	**Group V:**	**Group V:**			
GD35	Greenland Xijiang Square, East of Suhe Road, North of Binhu Road, Xijiang New City, Hecheng Street, Gaoming District, Foshan, Guangdong Province, the PRC		629,000,000					**629,000,000**	70	**440,300,000**
	Total:	**12,533,000,000**	**24,283,000,000**	**709,000,000**	**608,000,000**	**No commercial value**	**6,730,000,000**	**44,863,000,000**		**37,172,700,000**

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD01	The unsold portion of Dali Greenland Chanson De Terre ("Dali Project") Lot No. TD2016 (NH) WG0001, West of Sports West Road and south of Sports South Road, Taiping Community, Dali Town, Nanhai District, Foshan City, Guangdong Province, the PRC 大瀝綠地香頌公館	Dali Project is a mixed-use development erected upon a parcel of land completed in 2018. The Property comprises the unsold portion of Dali Project as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial (pre-sold): 1,153.04 Residential units (unsold): 133.23 Residential units (pre-sold): 9,919.62 Carpark (unsold) (358 lots): 4,922.50 Carpark (pre-sold) (81 lots): 2,254.84 **Total: 18,383.23** The Land is located at the west of Sports West Road, the south of Sports South Road, the east of Fukang North Road, Dali Town, Nanhai District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 25 February 2056 for commercial use and 25 February 2086 for residential use.	As at the Valuation Date, the Property was vacant.	RMB111,000,000 (RENMINBI ONE HUNDRED ELEVEN MILLION) (100% interest attributable to the Target Group: RMB111,000,000 (RENMINBI ONE HUNDRED ELEVEN MILLION))

Notes:

(1) According to the Real Estate Title Certificate No. (2018)0201780, the land use rights of the parcel of land with a site area of 55,955.90 sq m upon which the Property is erected have been vested in 佛山綠烜置業有限公司 for a term due to expire on 25 February 2056 for commercial use and 25 February 2086 for residential use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 440605-2016-000030:

Grantee:	廣州綠地房地產開發有限公司
Lot No.:	TD2016(NH)WG0001
Site Area:	55,955.90 sq m
Land Premium:	RMB390,760,000
Land Use Term:	70 years for residential use 40 years for commercial use 50 years for other uses
Land Use:	Carpark, commercial and residential
Plot Ratio:	1.5≤r≤2.8
Gross Floor Area:	≥83,933.85 sq m and ≤156,676.52 sq m
Building Covenant:	Commence before 26 February 2016 Completed before 26 February 2020

According to the supplementary agreement of Contract for Grant of State-owned Land Use Rights No. 440605-2016-000030-01 dated 9 March 2016, the land use rights owner has been changed from 廣州綠地房地產開發有限公司 into 佛山綠烜置業有限公司.

(3) According to 11 Certificates of Completion Acceptance in favour of 廣州綠地房地產開發有限公司, the construction of Dali Project with a gross floor area of approximately 198,705.12 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, various of carparks, commercial units and residential units of the property with a total gross floor area of approximately 13,013.05 sq m have been committed for sale at a total consideration of approximately RMB80,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440605MA4UM6XR90 dated 2 March 2016, 佛山綠烜置業有限公司 has been established as a limited company with a registered capital of RMB402,990,000.

(6) According to the PRC legal opinion:

(i) 佛山綠烜置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 佛山綠烜置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) As of 19 October 2020, the Real Estate Title Certificate No. (2018)0201780 has been transferred or changed.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD02	The unsold portion of Lishui Greenland Cree and Flower of the City ("Lishui Project") No. 99 Lishi Avenue South, Lot of Diecui Mountain Villa, Shayong Residents Committee, Lishui Town, Nanhai District, Foshan City, Guangdong Province, the PRC 裡水綠地香樹花園	Lishui Project is a mixed-use development erected upon two parcels of lands completed in 2016. The Property comprises the unsold portion of Lishui Project as below: **Uses** — **Gross Floor Area** *(sq m)* Commercial (unsold) — 6,610.23 Commercial (pre-sold) — 842.91 Residential units (unsold) — 90.23 Residential units (pre-sold) — 90.86 Carpark (unsold) (367 lots) — 5,097.26 Carpark (pre-sold) (345 lots) — 9,357.82 **Total:** — **22,089.31** The Land is located at the lot of Diecui Mountain Villa, Shayong Residents Committee, Lishui Town, Nanhai District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 10 February 2054 for commercial use and 10 February 2084 for residential use.	As at the Valuation Date, the Property was vacant.	RMB141,000,000 (RENMINBI ONE HUNDRED FORTY ONE MILLION) (70% interest attributable to the Target Group: RMB98,700,000 (RENMINBI NINETY EIGHT MILLION SEVEN HUNDRED THOUSAND))

Notes:

(1) According to 2 State-owned Land Use Rights Certificates, the land use rights of 2 parcel of land with a total site area of 164,509.80 sq m upon which the Property is erected have been vested in 佛山嘉逸置業有限公司.

No.	Location	Land Use	Land Use Term	Site Area (*sq m*)
(2018) 0151214	Zone 1, Greenland Fragrant Tree Garden, No.99 South Lishui Avenue, Lishui Town, Nanhai District, Foshan City	Commercial and Residential	40 years expire on 10 February 2054 for commercial use 70 years expire on 10 February 2084 for residential use	69,606.50
(2019) 0027812	Zone 1, Greenland Fragrant Tree Garden, No.99 South Lishui Avenue, Lishui Town, Nanhai District, Foshan City	Commercial and Residential	40 years expire on 10 February 2054 for commercial use 70 years expire on 10 February 2084 for residential use	94,903.30
Total:				**164,509.80**

(2) According to Contract for Grant of State-owned Land Use Rights No. 440600-2014-000026:

Grantee:	佛山嘉逸置業有限公司
Lot No.:	TD2013(SZ)WG005
Site Area:	164,509.80 sq m
Land Premium:	RMB971,000,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	1.0≤r≤2.5
Gross Floor Area:	519,949.50 sq m
Building Covenant:	Commence before 22 February 2015 Completed before 22 February 2018

(3) According to 12 Certificates of Completion Acceptance in favour of 佛山嘉逸置業有限公司, the construction of Lishui Project with a gross floor area of approximately 396,354.42 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, various carparks, commercial and residential units of the property with a total gross floor area of approximately 5,673.60 sq m have been committed for sale at a total consideration of approximately RMB48,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440605090116030H dated 3 January 2014, 佛山嘉逸置業有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(6) According to the PRC legal opinion:

(i) 佛山嘉逸置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 佛山嘉逸置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD03	Greenland Metropolis Project Junction of Xinchang Avenue and South Huangchang Road, Luwu Village, Changping Town, Dongguan, Guangdong Province, the PRC 綠地大都會項目	Greenland Metropolis Project is a mixed-use development erected upon two parcels of land completed in 2018. The Property comprises the unsold portion of Greenland Metropolis Project as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial (unsold) 4,361.65 Commercial (pre-sold) 182.54 Residential units (pre-sold) 950.52 Office (pre-sold) 7,315.15 Serviced Apartments (unsold) 437.62 Cinema (unsold) 3,160.14 Carpark (unsold) (964 lots) 13,255.00 Total: **29,662.62** The Property is located at the intersection of Xincheng Avenue and South Huanchang Road, Changping Town, Dongguan City. Developments nearby are residential and industrial buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 13 June 2054 and 13 June 2084 respectively.	As at the Valuation Date, the Property was vacant.	RMB197,000,000 (RENMINBI ONE HUNDRED NINETY SEVEN MILLION) (60% interest attributable to the Target Group: RMB118,200,000 (RENMINBI ONE HUNDRED EIGHTEEN MILLION TWO HUNDRED THOUSAND))

Notes:

(1) According to two Real Estate Title Certificates dated 28 May 2015, the land use rights of two parcels of land with a total site area of 120,685.41 sq m upon which the Property is erected have been vested in 東莞弘景置業有限公司:

Certificate No.	Location	Land Use	Land Use Term Expiry	Site Area (*sq m*)
(2015)51	Luwu Village, Changping Town, Dongguan City	Commercial	3 June 2054	45,776.02
(2015)52	Luwu Village, Changping Town, Dongguan City	Commercial & Residential	Commercial: 13 June 2054; Residential: 13 June 2084	74,909.39
Total:				**120,685.41**

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	東國土出讓(市場)合【2014】第058號
Grantee:	東莞市富泰房地產投資有限公司、廣州綠地天河置業有限公司
Lot No.:	2014WG025
Site Area:	120,685.00 sq m (Including two parcels of land Land-1: 45,776 sq m and Land-2: 74,909 sq m)
Land Premium:	RMB386,140,000
Land Use Term:	Land-1: 40 years Land-2: 40 years & 70 years
Land Use:	Land-1: Commercial Land-2: Commercial & Residential
Plot Ratio:	Land-1: 2.8 Land-2: 2.2;
Gross Floor Area:	Land-1: 128,172.80 sq m Land-2: 164,799.80 sq m
Building Covenant:	Commence before 14 June 2015 Complete before 14 June 2018
Supplementary Contract:	Grantee change from 東莞市富泰房地產投資有限公司、廣州綠地天河置業有限公司 to 東莞弘景置業有限公司

(3) According to 24 Certificates of Completion Acceptance, the construction of 綠地大都會項目 with a total gross floor area of approximately 332,349.44 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units and residential units of the property with a total gross floor area of approximately 8,448.21 sq m have been committed for sale at a total consideration of approximately RMB101,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 914419003040413035 dated 4 April 2017, 東莞弘景置業有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(6) According to the PRC legal opinion:

(i) 東莞弘景置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 東莞弘景置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORTS

Group I, II – Properties held for sale and under development by the Target Group in the PRC

<table>
<tr><th>No.</th><th>Property</th><th>Description and tenure</th><th>Particulars of occupancy</th><th>Market Value in existing state as at 30 September 2020</th></tr>
<tr>
<td>GD04ab</td>
<td>Greenland Garden City Project

No. 2-12 Renmin East Road, Shaping, Heshan Guangdong Province, the PRC

綠地公園城項目</td>
<td>Greenland Garden City Project is a mixed-use development being erected upon 2 parcels of land with total site area of 130,240.76 sq m.

The Group I of the Property comprises the unsold portion as below:

<table>
<tr><th>Uses</th><th>Gross Floor Area (sq m)</th></tr>
<tr><td>Residential</td><td>16,698.95</td></tr>
<tr><td>Commercial</td><td>1,807.52</td></tr>
<tr><td>Total:</td><td>18,506.47</td></tr>
</table>

The development potential of Group II of the Property is planned as below:

<table>
<tr><th>Uses</th><th>Gross Floor Area (sq m)</th></tr>
<tr><td>Residential</td><td>216,759.84</td></tr>
<tr><td>Commercial</td><td>3,126.10</td></tr>
<tr><td>Basement (Carpark: 2,088 lots)</td><td>74,465.92</td></tr>
<tr><td>Total:</td><td>294,051.86</td></tr>
</table>

The Property is located at the south of Renmin East Road, the northwest of Heshan Park, and the north of Liangzan Road. Developments nearby are commercial and residential buildings under construction.

The Property is planned for commercial and residential use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property.

The land use rights of the Property (Parcel 1) have been granted for a term of 40 years due to expire on 31 March 2037 for commercial use and 70 years due to expire on 31 March 2067 for residential use.

The land use rights of the Property (Parcel 2) have been granted for a term of 40 years due to expire on 21 January 2049 for commercial use and 70 years due to expire on 21 January 2079 for residential use.</td>
<td>As at the Valuation Date, Group I of the property was vacant.

Group II of the Property was under construction and was scheduled to be completed in December 2020.</td>
<td>RMB1,957,000,000 (RENMINBI ONE BILLION NINE HUNDRED FIFTY SEVEN MILLION)

(100% interest attributable to the Target Group: RMB1,957,000,000 (RENMINBI ONE BILLION NINE HUNDRED FIFTY SEVEN MILLION))</td>
</tr>
</table>

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area *(sq m)*	Market Value in existing state as at 30 September 2020
I – Held for Sale	Residential	16,698.95	RMB276,000,000
	Commercial	1,807.52	
II – Held under Development	Residential	216,759.84	RMB1,681,000,000
	Commercial	3,126.10	
	Basement (Carpark: 2,088 lots)	74,465.92	
		Grand Total:	**RMB1,957,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various commercial and residentials units of the property with a total gross floor area of approximately 6,528.94 sq m have been committed for sale at a total consideration of approximately RMB93,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group II – According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,336,000,000; a construction cost of approximately RMB1,011,000,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

The Market Value as if completed of the Property as at the Valuation Date was approximately RMB2,190,000,000.

(2) According to the Real Estate Title Certificate No.20170022131, the land use rights of the parcel of land with a site area of 129,616.26 sq m upon which the Property is erected have been vested in 江門市綠驍房地產開發有限公司 for a term of 40 years due to expire on 31 March 2037 for commercial use and 70 years due to expire on 31 March 2067 for residential use.

According to the Real Estate Title Certificate No.20170013020, the land use rights of the parcel of land with a site area of 624.50 sq m upon which the Property is erected have been vested in 江門市綠驍房地產開發有限公司 for a term of 40 years due to expire on 21 January 2049 for commercial use and 70 years due to expire on 21 January 2079 for residential use.

(3) According to 18 Planning Permits for Construction Use of Land No. 440784201800027, 440784201800028, 440784201800029, 440784201700394, 440784201800112, 440784201800025, 440784201800110, 440784201800111, 440784201800517, 440784201800072, 440784201800314, 440784201800280, 440784201800281, 440784201800127, 440784201800128, 440784201800129, 440784201800312, 440784201900175, the construction site of land with a site area of 83,436.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to 19 Planning Permits for Construction Works No. 440784201800028, 440784201800029, 440784201800027, 440784201700461, 440784201800120, 440784201800026, 440784201800118, 440784201800119, 440784201800591, 440784201800072, 440784201800044, 440784201800311, 440784201800312, 440784201800141, 440784201800142, 440784201800143, 440784201800348, 440784201800484, 440784201900320, the construction works of the Property with a total gross floor area of 349,363.40 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to seven Permits for Commencement of Construction Works No. 440784201801260301, 440784201802120101, 440784201802120301, 440784201804180301, 440784201804180401, 440784201911140101, 440784201911080101, the construction works of the Property with a total gross floor area of 349,109.10 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to 19 Pre-sale Permits of Commodity Housing No. 20180178, 20190008, 20190039, 20180059, 20180065, 20180140, 20180112, 20180139, 20180040, 20180038, 20180039, 20190062, 20180063, 20190146, 20190147, 20190148, 20190149, 20190150, 20190151, the development has a total gross floor area of approximately 203,363.03 sq m permitted for pre-sale.

(7) According to three Certificates of Completion Acceptance in favour of 江門市綠驍房地產開發有限公司, the construction of the Project with a gross floor area of approximately 46,205.10 sq m has been completed and passed the inspection acceptance.

(8) According to Business Licence No. 91440700MA4WR4PG1U, 江門市綠驍房地產開發有限公司 has been established as a limited company with a registered capital of RMB947,740,200.

(9) According to the PRC legal opinion:

(i) 江門市綠驍房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 江門市綠驍房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) According to the "Certificate of Real Estate Registration Inquiry" issued by Heshan Real Estate Registration Center on 19 October 2020, the parcel of land located in Louchong, Shaping Street, Heshan, with the property right certificate No. 20170013020 (624.5 sq m) has been mortgaged to Guangzhou Taojin Sub-branch of Agricultural Bank of China Co., Ltd., with a set date of 7 September 2017 to 6 September 2022. There was no seizure of the plot.

(10) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	No
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD05	Greenland Garden Family Project Louchong, Shaping Street, Heshan, Guangdong Province, the PRC 綠地公園世家項目	Greenland Garden Family Project is a mixed-use development being erected upon a parcel of land with site area of 117,615.80 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 324,368.58 Commercial 4,799.79 Basement (2,291 lots) 74,510.00 Ancillaries 2,353.00 **Total: 406,031.37** The property is located at the south of Renmin East Road and north of Heshan Avenue. The property is very closed to Heshan Park. Developments nearby are commercial and residential buildings. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 20 May 2044 and 20 May 2074 respectively.	As at the Valuation Date, the property of was under construction scheduled to be completed in 2021.	RMB1,480,000,000 (RENMINBI ONE BILLION FOUR HUNDRED EIGHTY MILLION) (100% interest attributable to the Target Group: RMB1,480,000,000 (RENMINBI ONE BILLION FOUR HUNDRED EIGHTY MILLION))

Notes:

(1) According to Real Estate Title Certificate No. (2017) 0019355, the land use rights of the parcel of land with a site area of 117,615.80 sq m upon which the Property is erected have been vested in 江門綠睿房地產開發有限公司 due to 20 May 2044 for commercial use and 20 May 2074 for residential use.

As advised by the Target Group, the Property is part of the land.

(2) According to the two Contracts for Transfer of Real Estate:

Contract No.	W20170081
Transfer to:	江門綠睿房地產開發有限公司
Site Area:	103,246.30 sq m
Land Premium:	RMB304,886,300
Land Use Term:	70 years/40 years
Land Use:	Residential/commercial

Contract No.	W20170077
Transfer to:	江門綠睿房地產開發有限公司
Site Area:	14,369.50 sq m
Land Premium:	RMB42,433,100
Land Use Term:	70 years/40 years
Land Use:	Residential/commercial

(3) According to one Planning Permit for Construction Use of Land No. 440784201900222 dated 22 July 2019, the construction site of land with a site area of 84,327.80 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to 18 Planning Permits for Construction Works No. 440784201900353, 440784201900406, 440784201900407, 440784201900408, 440784201900409, 440784201900316, 440784201900599, 440784201900600, 440784201900410, 440784201900411, 440784201900354, 440784201900414, 440784201900412, 440784201900413, 440784201900008, 440784201900554, 440784201900555, and 440784201900489, the construction works of the Property with a total gross floor area of 291,911.50 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to seven Permits for Commencement of Construction Works No. 440784201908270101, 440784201909260101, 440784201909260201, 440784201908120101, 440784201909260301, 440784201908270201, and 2018-136, the construction works of the Property with a total gross floor area of 288,319.30 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to three Pre-sale Permits of Commodity Housing No. 20190144, 20190154, and 20190155, the development has a total gross floor area of approximately 37,848.32 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential units of the Property with a total gross floor area of approximately 6,596.65 sq m have been committed for sale at a total consideration of approximately RMB41,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,326,000,000; a construction cost of approximately RMB304,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB2,997,000,000.

(10) According to Business Licence No. 91440700MA4WR4Q82C, 江門綠睿房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,240,426,400.

(11) According to the PRC legal opinion:

(i) 江門綠睿房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 江門綠睿房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Transfer of Real Estate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (Part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD06	City of Elite South of Kaiyuan Avenue and east of Yunfeng Road, Huangpu District, Guangzhou, Guangdong Province, the PRC 杉禾田晶舍	City of Elite is a residential development planned to be erected upon a parcel of land with site area of 100,688 sq m. The development potential of the Property is planned as below: **Uses** — **Gross Floor Area** *(sq m)* Residential — 112,723.79 Commercial — 2,755.60 Basement (Carpark:1,402 lots) — 64,251.30 Ancillary — 49,574.90 **Total: — 229,305.59** The Land is located at the south of Kaiyuan Avenue and east of Yunfeng Road, Huangpu District, Guangzhou. Developments nearby are residential communities. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 3 January 2089 for residential use.	As at the Valuation Date, the Property was under construction.	RMB2,351,000,000 (RENMINBI TWO BILLION THREE HUNDRED FIFTY ONE MILLION) (60% interest attributable to the Target Group: RMB1,410,600,000 (RENMINBI ONE BILLION FOUR HUNDRED TEN MILLION SIX HUNDRED THOUSAND))

Notes:

(1) According to two Real Estate Title Certificates dated 21 October 2019, the land use rights of two parcel of land with a total site area of 88,403.27 sq m upon which the Property is erected have been vested in 廣州綠龍房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2019)06860451	South of Kaiyuan Avenue and east of Yunfeng Road, Huangpu District, Guangzhou	Residential	Commence on 4 January 2019 Expire on 3 January 2089	72,580.62
(2019)06860450	South of Kaiyuan Avenue and east of Yunfeng Road, Huangpu District, Guangzhou	Educational	The land did not pay land transfer fee	15,822.65
Total:				**88,403.27**

As advised by the Target Group, the Property is part of the land.

(2) According to Contract for Grant of State-owned Land Use Rights:

Contract No.	440116-2018-000050
Grantee:	廣東綠地投資有限公司、廣州永龍建設投資有限公司
Lot No.:	SDK-A2-2
Site Area:	100,688.00 sq m
Land Premium:	RMB1,774,660,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.5
Gross Floor Area:	120,815.00 sq m
Building Covenant:	Commence before 30 September 2019 Complete before 31 March 2022
Supplementary Contract:	Grantee change from 廣東綠地投資有限公司、廣州永龍建設投資有限公司 to 廣州綠龍房地產開發有限公司

(3) According to Planning Permits for Construction Use of Land No. 201947 dated 25 February 2019, the construction site of land with a site area of 100,688.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to ten Planning Permits for Construction Works, the construction works of the Property with at total gross floor area of 178,306.2 sq m are in compliance with the requirement of urban planning and have been permitted:

No.	Gross Floor Area *(sq m)*
2019-2462	310.00
2019-2825	13,003.20
2019-2823	3,778.80
2019-4683	24,188.70
2019-5556	20,644.90
2019-5598	19,657.80
2019-5745	2,268.4
2020-1298	51,488.2
2020-459	21,397.7
2020-460	21,568.5
Total	**178,306.2**

(5) According to 3 Permits for Commencement of Construction Works, the construction works of the Property with a total gross floor area of 174,853.7 sq m are in compliance with the requirement of work commencement and have been permitted.

No.	Gross Floor Area *(sq m)*
440112201909020101	13,003.2
440112201912060101	40,302.7
440112202004230201	121,547.8
Total	**174,853.7**

(6) According to Pre-sale Permit of Commodity Housing No. 20200147, the development has a total gross floor area of approximately 3,305.3124 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various carparks, residential units of the property with a total gross floor area of approximately 29,387.46 sq m have been committed for sale at a total consideration of approximately RMB935,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated construction cost to complete the development is approximately RMB1,205,000,000, and a construction cost of approximately RMB287,000,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB4,095,000,000.

(10) According to Business Licence No. 91440101MA5CLAEWXW dated 16 January 2019, 廣州綠龍房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(11) According to the PRC legal opinion:

(i) 廣州綠龍房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州綠龍房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Pre-sale Permit	Yes
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD07	Guangzhou International Innovation Driving Center South of Zhishi Avenue, East of Yongjiu Express, Huangpu District, Guangzhou, Guangdong Province, the PRC 廣州國際創新驅動中心	As advised, the property is being erected upon a parcel of land with site area of 148,557.00 sq m. According to the information provided by the Group, the property is proposed to be developed into a commercial and office development with a planned total gross floor area of approximately 715,251.45 sq m. The land use rights of the Property have been granted for a term of 40 years for commercial use.	As at the Valuation Date, the Property was bare land.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB2,447,000,000 (RENMINBI TWO BILLION FOUR HUNDRED FORTY SEVEN MILLION) (51% interest attributable to the Group: RMB1,247,970,000 (RENMINBI ONE BILLION TWO HUNDRED FORTY SEVEN MILLION NINE HUNDRED SEVENTY THOUSAND)).

(2) According to Contract for Grant of State-owned Land Use Rights No. 4401162019000023:

Contract No.	440116-2019-000023
Grantee:	廣東綠地投資有限公司、廣州永龍建設投資有限公司
Lot No.:	ZSCN-D1-5
Site Area:	148,557.00 sq m
Land Premium:	RMB2,282,040,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	3.8
Gross Floor Area:	541,983 sq m
Building Covenant:	Commence before 31 December 2019 Completed before 30 June 2023
Supplementary Contract:	Grantee change from 廣東綠地投資有限公司、廣州永龍建設投資有限公司 to 廣州綠控置業有限公司

(3) According to Planning Permit for Construction Use of Land No. 2019-23, the construction site of land with a site area of 148,557 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to two Planning Permits for Construction Works No. (2020)76 and (2020)63, the construction works of the Property with a total gross floor area of 89,118.72 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to three Permits for Commencement of Construction Works No. 440112202006300801, 440112202006300701, and 2018-136, the construction works of the Property with a total gross floor area of 91,265.05 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to Business Licence No. 91440101MA5CT0CM1R dated 12 June 2019, 廣州綠控置業有限公司 has been established as a limited company with a registered capital of RMB500,000,000.

(7) According to the PRC legal opinion:

(i) As of 16 October 2020, 廣州綠控置業有限公司 has not obtained the Real Estate Title Certificate, 廣州綠控置業有限公司 has paid the land transfer fees and interest. Under the premise that there is no relevant government departments expropriating the land use right of the project land in accordance with the provisions of laws, regulations and Contract for Grant of State-owned Land Use Rights, 廣州綠控置業有限公司 has no substantial legal obstacle to obtain the relevant certificate; and

(ii) 廣州綠控置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

The property numbers are according to the internal reference number of the Target Company, GD08 has completed construction, sales and delivery to independent property purchasers before the Valuation Date and is thus excluded from our valuation. GD08 is kept deliberately but no property here just to avoid the change of other property numbers. The next Property is GD09.

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD09	Huichuang Project 1633 Beitai Road, Baiyun District, Guangzhou, Guangdong Province, the PRC 匯創項目	Huichuang Project is a mixed-use development erected upon a parcel of land completed in 2017. The Property comprises the unsold portion of Huichuang Project as below: **Uses** / **Gross Floor Area** *(sq m)* Office (pre-sold): 9,322.31 Carpark (pre-sold) (97 lots): 1,210.06 **Total: 10,532.37** The Land is located at the west of Keqiang Road, the south of Kexing Road, Baiyun District, Guangzhou. Developments nearby are commercial and industrial buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 19 January 2054 for commercial use and 19 January 2064 for other use.	As at the Valuation Date, the Property was vacant.	RMB104,000,000 (RENMINBI ONE HUNDRED FOUR MILLION) (100% interest attributable to the Target Group: RMB104,000,000 (RENMINBI ONE HUNDRED FOUR MILLION))

Notes:

(1) According to State-owned Land Use Rights Certificate No. 201514110012, the land use rights of the parcel of land with a site area of 33,682 sq m upon which the Property is erected have been vested in 廣州領越市場管理有限公司 due to 19 January 2054 for commercial use.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440111-2013-000012
Grantee:	廣州領越市場管理有限公司
Lot No.:	11107020120123
Site Area:	33,682.00 sq m
Land Premium:	RMB192,730,000
Land Use Term:	40 years
Land Use:	Science and Education
Plot Ratio:	4.0
Gross Floor Area:	134,728 sq m
Building Covenant:	Commence before 8 December 2014 Complete before 8 December 2017
Supplementary Contract-1:	Land use change from Science and Education to Commercial
Supplementary Contract-2:	Land Premium change from RMB192,730,000 to RMB204,583,785 Plot Ratio change from 4.0 to 4.91 Gross Floor Area change from 134,728 sq m to 165,288 sq m

(3) According to two Certificates of Completion Acceptance, the construction of 匯創項目 with a total gross floor area of approximately 165,961.00 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks and office units of the property with a total gross floor area of approximately 10,532.37 sq m have been committed for sale at a total consideration of approximately RMB104,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 914401115856750960, 廣州領越市場管理有限公司 has been established as a limited company with a registered capital of RMB325,000,000.

(6) According to the PRC legal opinion:

(i) 廣州領越市場管理有限公司 has obtained the Real Estate Title Certificate for the Huichuang project. As of 16 October 2020, the property right of the AB1208024 plot of the Huichuang project has changed, and the state-owned land use right certificate listed in this legal opinion was cancelled and recovered; and

(ii) 廣州領越市場管理有限公司 is the sole legal owner of the aforesaid real estate development project and has obtained the certificates and approvals listed in this legal opinion from the relevant competent government departments in respect of the aforesaid real estate development project.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD10	New Center No. 5 Caotang Road, Taihe Town, Baiyun District, Guangzhou, Guangdong Province, the PRC 太和綠地柏玥晶舍項目	New Center is a mixed-use development being erected upon a parcel of land with site area of 66,904.54 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential: 82,880.64 Demolition resettlement house: 97,395.67 Public housing: 20,151.40 Commercial: 918.26 Basement (1,913 lots): 67,823.30 Ancillaries: 2,429.70 **Total: 271,598.97** The Property is located at the south of Botang Central Park, the west of Caotang Road, the north of Beitai Road and the east of Guangzhou Tongda Electric Vehicle Industrial Park (廣州通達電氣車聯網產業園). Developments nearby are industrial parks, and commercial and residential buildings under construction. The Property is planned for commercial and residential use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term of 70 years due to expire on 15 March 2087 for residential use.	As at the Valuation Date, the Property was under construction and was scheduled to be completed in December 2020.	RMB2,217,000,000 (RENMINBI TWO BILLION TWO HUNDRED SEVENTEEN MILLION) (100% interest attributable to the Target Group: RMB2,217,000,000 (RENMINBI TWO BILLION TWO HUNDRED SEVENTEEN MILLION))

Notes:

(1) According to the Real Estate Title Certificate No. 201700244811, the land use rights of the parcel of land with a site area of 66,904.54 sq m upon which the Property is erected have been vested in 廣州市泰偉房地產開發有限公司 for a term of 70 years due to expire on 15 March 2087 for residential use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 440111-2016-000008:

Grantee:	廣州市南瑞置業有限公司
Lot No.:	11007020160004
Site Area:	26,425.10 sq m
Land Premium:	RMB295,000,000
Land Use Term:	40 years
Land Use:	Commercial and finance
Plot Ratio:	6.0
Gross Floor Area:	158,550.60 sq m
Building Covenant:	Commence before 16 July 2017 Complete before 16 January 2021
Supplement-1:	Change grantee from 廣州市南瑞置業有限公司 to 廣州市泰偉房地產開發有限公司

(3) According to Planning Permit for Construction Use of Land No. 2017128, the construction site of land with a site area of 66,905.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to 11 Planning Permit for Construction Works No. 20173181, 20172518, 20172522, 20172502, 20172511, 20172513, 20173180, 20172493, 20172507, 20172481 and 20172488, the construction works of the Property with a total gross floor area of 272,904.20 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to Permit for Commencement of Construction Works No. 440111201710200101, the construction works of the Property with a total gross floor area of 272,843.90 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to four Pre-sale Permits of Commodity Housing No. 20180519-1, 20180520-1, 20180687-1 and 20180686-1, the development has a total gross floor area of approximately 48,423.39 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, residential units of the property with a total gross floor area of approximately 34,902.68 sq m have been committed for sale at a total consideration of approximately RMB1,051,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,141,000,000; a construction cost of approximately RMB731,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB2,726,000,000.

(10) According to Business Licence No. 91440101MA59GMGW5N, 廣州市泰偉房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,561,800,000.

(11) According to the PRC legal opinion:

(i) 廣州市泰偉房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州市泰偉房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (Part)
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD11	The unsold portion of Chencun Greenland Shangpin Garden ("Chencun Project") Lot No. 200088-101, North of Fochen Road, Nanyong, Chencun Town, Shunde District, Foshan City, Guangdong Province, the PRC 陳村綠地尚品花園	Chencun Project is a mixed-use development erected upon a parcel of land completed in 2015. The Property comprises the unsold portion of Chencun Project as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial (pre-sold): 3,898.90 Office units (pre-sold): 259.77 Carpark (unsold) (363 lots): 5,960.08 Carpark (pre-sold) (192 lots): 6,715.99 **Total: 16,834.74** The Land is located at the northwest of Fochen Road, the east of Anning West Road, Chencun Town, Shunde District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 26 January 2053 for commercial use and 26 January 2083 for residential use.	As at the Valuation Date, the Property was vacant.	RMB90,000,000 (RENMINBI NINETY MILLION) (100% interest attributable to the Target Group: RMB90,000,000 (RENMINBI NINETY MILLION))

Notes:

(1) According to State-owned Land Use Rights Certificate No. (2013)0401302, the land use rights of the parcel of land with a site area of 56,755.28 sq m upon which the Property is erected have been vested in 綠地集團佛山順德置業有限公司 for a term due to expire on 26 January 2053 for commercial use and 26 January 2083 for residential use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 440606-2012-001228:

Grantee:	廣州綠地房地產開發有限公司
Lot No.:	200088-101
Site Area:	56,755.28 sq m
Land Premium:	RMB590,000,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	≤3.5
Gross Floor Area:	≤198,643.48 sq m
Building Covenant:	Commence before 26 January 2014 Completed before 25 January 2017

According to the Supplemental Agreement 440606-2012-001228-01 dated 23 November 2012, the grantee of land plot 200088-101 was changed from 廣州綠地房地產開發有限公司 into 綠地集團佛山順德置業有限公司 retaining other clauses.

(3) According to 3 Certificates of Completion Acceptance in favour of 綠地集團佛山順德置業有限公司, the construction of Chencun Project with a gross floor area of approximately 266,171.19 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, various carparks, commercial and office units of the property with a total gross floor area of approximately 10,874.66 sq m have been committed for sale at a total consideration of approximately RMB64,000,000(exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440606056824017U dated 15 November 2012, 綠地集團佛山順德置業有限公司 has been established as a limited company with a registered capital of RMB483,000,000.

(6) According to the PRC legal opinion:

(i) 綠地集團佛山順德置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 綠地集團佛山順德置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) As of 16 October 2020, the State-owned Land Use Rights Certificate No. (2013)0401302 has been cancelled.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I, II – Properties held for sale and under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD12	The unsold portion of Greenland Future City ("Greenland Future City Project") Located at the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan City, Guangdong Province, the PRC 綠地未來城	Greenland Future City Project is a mixed-use development erected upon 7 parcels of land, part of which was completed between 2016 and 2019. The remaining part is under development. The Property comprises the unsold portion of Greenland Future City Project. The Group I of the Property comprises the unsold portion as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial 1,485.23 Office 3,194.52 Carpark (226 lots) 8,903.85 **Total: 13,583.60** The development potential of Group II of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 20,425.54 Apartment 379,653.46 Commercial 24,119.67 Office 53,436.05 Basement Carpark (3,629 lots) 54,438.16 **Total: 532,072.88** The Property is located at the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 29 September 2055 for commercial use and 29 September 2085 for residential use.	As at the Valuation Date, Group I of the property was vacant. Group II of the Property was under development and scheduled for completion in 2021.	RMB2,643,000,000 (RENMINBI TWO BILLION SIX HUNDRED FORTY THREE MILLION) (100% interest attributable to the Target Group: RMB2,643,000,000 (RENMINBI TWO BILLION SIX HUNDRED FORTY THREE MILLION))

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area *(sq.m.)*	Market Value in existing state as at 30 September 2020
I – Held for Sale	Commercial	1,485.23	RMB71,000,000
	Office	3,194.52	
	Carpark (226 lots)	8,903.85	
		Total: 13,583.60	
II – Held under Development	Residential	20,425.54	RMB2,572,000,000
	Apartment	379,653.46	
	Commercial	24,119.67	
	Office	53,436.05	
	Basement (Carpark 3,629 lots)	54,438.16	
		Total: 532,072.88	
		Grand Total:	**RMB2,643,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various retail and office units of the property with a total gross floor area of approximately 13,583.60 sq m have been committed for sale at a total consideration of approximately RMB71,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group II – According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB2,685,000,000; a construction cost of approximately RMB1,652,000,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

The Market Value as if completed of the Property as at the Valuation Date was approximately RMB4,206,000,000.

(2) According to 7 State-owned Land Use Rights Certificate, the land use rights of 7 parcels of land with a total site area of 266,792.89 sq m upon which the Property is erected have been vested in 佛山鉑晟置業有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2015)1102192	Lot No. 1, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	35,566.76
(2015)1102191	Lot No. 2, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	3,397.39

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2015)1102190	Lot No. 3, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	26,197.52
(2015)1102189	Lot No. 4, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	64,867.22
(2015)1101967	Lot No. 5, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial and residential	40 years expire on 29 September 2055 70 years expire on 29 September 2085	81,015.83
(2015)1102188	Lot No. 6, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	37,636.11
(2015)1102187	Lot No. 7, the north of Baini Road, the west of Yudai Road, the south of Langsha Second Road, the east of Chanxi Avenue, Chancheng District, Foshan	Commercial	40 years expire on 29 September 2055	18,112.06
Total:				**266,792.89**

(3) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440601-2014-100011, 440601-2014-100011-01 and 440601-2015-100052
Grantee:	佛山鉑晟置業有限公司
Lot No.:	Fochan (Gua) 2013-009
Site Area:	266,973.49 sq m
Land Premium:	RMB1,695,040,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	Land No. 1: ≤2.0, Land No. 2: ≤3.0, Land No. 3: ≤3.0, Land No. 4: ≤2.5, Land No. 5: ≤2.6, Land No. 6: ≤3.3, Land No. 7: ≤3.5
Gross Floor Area:	Land No. 1: ≤71,133 sq m, Land No. 2: ≤10,192 sq m, Land No. 3: ≤78,592 sq m, Land No. 4: ≤162,168 sq m, Land No. 5: ≤205,696.23 sq m, Land No. 6: ≤124,199 sq m, Land No. 7: ≤68,339.238 sq m
Building Covenant:	Commence before 18 February 2016 Completed before 18 February 2019

(4) According to 7 Planning Permit for Construction Use of Land No. 440604201500029 to 440604201500035, the construction site of land with a site area of 266,793.49 sq m is in compliance with the urban planning requirements and has been approved.

(5) According to 21 Planning Permit for Construction Works No. 440604201400381, 440604201500213, 440604201400382, 440604201800234, 440604201800033, 440604201400309, 440604201400289, 440604201800031, 440604201400228, 440604201400204, 440604201400370, 440604201400203, 440604201500045, 440604201400301, 440604201500145, 440604201700352, 440604201700234, 440604201900176, 440604201900231, 440604201700353 and 440604201700354, the construction works of the Property with a total gross floor area of 1,005,112.40 sq m are in compliance with the requirement of urban planning and have been permitted.

(6) According to 15 Permit for Commencement of Construction Works No. 440601201610200101, 440604201901290101, 4406012015043003, 440604201810230101, 440601201804230201, 440601201708210101, 440601201708210201, 4406012014111401, 4406012014082801, 4406012015042803, 4406012015060501, 4406012015042802, 440604201711240201, 440601201709200101 and 440604201801170101, the construction works of the Property with a total gross floor area of 905,159.69 sq m are in compliance with the requirement of work commencement and have been permitted.

(7) According to the Pre-sale Permit of Commodity Housing No. 2018009601, 2018012401, 2018007801, 2018009701, 2018006201, 2018011801, 2018002201, 2018003501, 2018001001, 2018003601, 2018003401 and 2018000401, the development has a total gross floor area of approximately 162,048.31 sq m permitted for pre-sale.

(8) According to 7 Pre-sale Permit of Commodity Housing No. 2015017803, 2015017903, 2015018003, 2015023303, 2016008203, 2019014503 and 2019014603, the development has a total gross floor area of approximately 100,999.91 sq m permitted for pre-sale.

(9) According to the Certificate of Completion Acceptance in favour of 佛山鉑晟置業有限公司, the construction of Greenland Future City Project with a gross floor area of approximately 94,914.13 sq m has been completed and passed the inspection acceptance.

As advised by the Target Group, the Property is part of the buildings.

(10) According to Business Licence No. 914406040901598318 dated 14 January 2014, 佛山鉑晟置業有限公司 has been established as a limited company with a registered capital of RMB510,000,000.

(11) According to the PRC legal opinion:

(i) 佛山鉑晟置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 佛山鉑晟置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) As of 16 October 2020, the State-owned Land Use Rights Certificate No. (2015)1102192, (2015)1102191 and (2015)1101967 have been transferred or changed.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I, II & IV – Properties held for sale, under development and investment by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD13	The unsold portion of Chancheng Greenland Center ("Chancheng Project") Located at 15 Jihua Six Road, Chancheng District, Foshan City, Guangdong Province, the PRC 禪城綠地中心	Chancheng Project is a mixed-use development erected upon two parcels of land completed in 2014. The remaining part is under development. The Property comprises the unsold portion of Chancheng Project. The Group I of the Property comprises the unsold portion as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 141.61 Commercial 12,786.95 Office 69,585.49 Carpark (1,397 lots) 19,208.75 **Total: 101,722.80** The development potential of Group II of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Office 89,423.65 The Group IV of the Property comprises the investment portion as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial 18,008.01 The Property is located at the west of Zhen'an East Road, the east of Zhen'an West Road, the north of Jihua Six Road, Chancheng District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 5 September 2052 and 28 July 2054 for commercial use and 5 September 2082 for residential use.	As at the Valuation Date, Group I of the Property was vacant. Group II of the Property was under development and scheduled for completion in 2021. Group IV of the Property was leased to a tenant with the expiry date in 2039.	RMB1,476,000,000 (RENMINBI ONE BILLION FOUR HUNDRED SEVENTY SIX MILLION) (100% interest attributable to the Target Group: RMB1,476,000,000 (RENMINBI ONE BILLION FOUR HUNDRED SEVENTY SIX MILLION))

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area *(sq m)*	Market Value in existing state as at 30 September 2020
I – Held for Sale	Residential	141.61	RMB1,116,000,000
	Commercial	12,786.95	
	Office	69,585.49	
	Carpark (1,397 lots)	19,208.75	
		Total: 101,722.80	
II – Held under Development	Office	89,423.65	RMB160,000,000
		Total: 89,423.65	
IV – Held for Investment	Commercial	18,008.01	RMB200,000,000
		Total: 18,008.01	
		Grand Total:	**RMB1,476,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various office and commercial units of the property with a total gross floor area of approximately 22,688.82 sq m have been committed for sale at a total consideration of approximately RMB311,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group II – According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB505,000,000; a construction cost of approximately RMB6,300,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

The estimated market value as if completed of the proposed development as at Valuation Date was approximately RMB805,000,000.

Group IV – According to the information provided by the Target Group, as at the Valuation Date, commercial units of the property with a total gross floor area of approximately 18,008.01 sq m was leased to a tenant at a total monthly rent of RMB150,000 with the latest expiry date in 2039.

(2) According to 2 State-owned Land Use Rights Certificates, the land use rights of 2 parcels of land with a total site area of 72,885.50 sq m upon which the Property is erected have been vested in 綠地集團佛山禪城置業有限公司 and 佛山市騏昌資產經營管理有限公司.

No.	Land User	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2013) 1206352	綠地集團佛山禪城置業有限公司 佛山市騏昌資產經營管理有限公司	The west of Zhen'an East Road, the north of Jihua Six Road, Chancheng District, Foshan	Commercial and Residential	40 years expire on 5 September 2052 for commercial use 70 years expire on 5 September 2082 for residential use	63,461.68
(2014) 1204160	綠地集團佛山禪城置業有限公司	The east of Zhen'an West Road, the north of Jihua Six Road, Chancheng District, Foshan	Commercial	40 years expire on 5 September 2052 for commercial use	9,423.82
Total:					**72,885.50**

(3) According to 2 Contract for Grant of State-owned Land Use Rights:

Contract No.	440601-2012-100060
Grantee:	佛山市騏昌資產經營管理有限公司
Lot No.:	Fochan (Gua) 2012-015
Site Area:	63,461.68 sq m
Land Premium:	RMB626,442,780
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	≤6.0
Gross Floor Area:	380,700 sq m
Building Covenant:	N/A
Transfer Contract:	The transferor 佛山市騏昌資產經營管理有限公司 transfers a parcel of land (Lot No. Fochan (Gua) 2012-015) to the transferee 綠地集團佛山禪城置業有限公司

Contract No.	440601-2014-100007
Grantee:	綠地集團佛山禪城置業有限公司
Lot No.:	Fochan (Gua) 2013-007
Site Area:	9,423.82 sq m
Land Premium:	RMB339,200,000
Land Use Term:	40 years for commercial use
Land Use:	Commercial
Plot Ratio:	≤6.0
Gross Floor Area:	56,543 sq m
Building Covenant:	Commence before 29 July 2015 Completed before 29 July 2018

(4) According to 2 Planning Permit for Construction Use of Land No. 440604201200079 and 440604201400017, the construction site of land with a site area of 72,885.50 sq m is in compliance with the urban planning requirements and has been approved.

(5) According to 7 Planning Permit for Construction Works No. 440604201300191, 440604201300192, 440604201300193, 440604201800401, 440604201400181, 440604201800410 and 440604201400182, the construction works of the Property with a total gross floor area of 571,469.97 sq m are in compliance with the requirement of urban planning and have been permitted.

(6) According to 3 Permit for Commencement of Construction Works No. 4406012013082701, 4406012014082803 and 4406012014082802, the construction works of the Property with a total gross floor area of 571,458.44 sq m are in compliance with the requirement of work commencement and have been permitted.

(7) According to 9 Pre-sale Permit of Commodity Housing No. 2013008201, 2013010201, 2014000801, 2014001201, 2014001301, 2013011901, 2014000501, 2015008101 and (2015)003301, the development has a total gross floor area of approximately 234,509.53 sq m permitted for pre-sale.

(8) According to 3 Certificate of Completion Acceptance in favour of 綠地集團佛山禪城置業有限公司 and 佛山市騏昌資產經營管理有限公司, the construction of Chancheng Project with a gross floor area of approximately 475,453.41 sq m has been completed and passed the inspection acceptance.

As advised by the Target Group, the Property is part of the buildings.

(9) According to Business Licence No. 914406040537345181 dated 10 September 2012, 綠地集團佛山禪城置業有限公司 has been established as a limited company with a registered capital of RMB1,155,000,000.

(10) According to the PRC legal opinion:

(i) As of 16 October 2020, the State-owned Land Use Rights Certificate No. (2013)1206352 (Lot No. 2012-015) has been transferred or changed. 綠地集團佛山禪城置業有限公司 is the legal co-owner of the Lot No. 2012-015;

(ii) 綠地集團佛山禪城置業有限公司 has obtained the State-owned Land Use Rights Certificate No. (2014)1204160 (Lot No. 2013-007) and is the sole legal owner; and

(iii) 綠地集團佛山禪城置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD14	The unsold portion of Shishan Greenland Xiangxie Garden ("Shishan Project") Located at No. 10 Sanhuan East Road, Xiaotang, Shishan Town, Nanhai District, Foshan City, Guangdong Province, the PRC 獅山綠地香榭花苑	Shishan Project is a mixed-use development erected upon a parcel of land completed in 2018. The Property comprises the unsold portion of Shishan Project as below: **Uses** / **Gross Floor Area** *(sq m)* Residential units (unsold): 109.29 Residential units (pre-sold): 1,584.71 Carpark (unsold) (1,182 lots): 26,701.04 Carpark (pre-sold) (20 lots): 592.80 **Total: 28,987.84** The Land is located at the south of Sanhuan East Road, the north of Guidan Road, Shishan Town, Nanhai District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 30 December 2053 for commercial use and 30 December 2083 for residential use.	As at the Valuation Date, the Property was vacant.	RMB118,000,000 (RENMINBI ONE HUNDRED EIGHTEEN MILLION) (70% interest attributable to the Target Group: RMB82,600,000 (RENMINBI EIGHTY TWO MILLION SIX HUNDRED THOUSAND))

Notes:

(1) According to Real Estate Title Certificate No. (2016)0045516, the land use rights of the parcel of land with a site area of 72,764.70 sq m upon which the Property is erected have been vested in 佛山市麗雅翠湖尚築房地產開發有限公司 for a term due to expire on 30 December 2053 for commercial use and 30 December 2083 for residential use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 440605-2013-000207 dated 31 December 2013:

Grantee:	佛山市南海區麗雅苑房地產發展有限公司
Lot No.:	GD608000387
Site Area:	72,764.70 sq m
Land Premium:	RMB431,280,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	1.0≤r≤3.3
Gross Floor Area:	≥72,764.70 sq m and ≤198,643.48 sq m
Building Covenant:	Commence before 31 December 2014 Completed before 31 December 2016

(3) According to 7 Certificates of Completion Acceptance in favour of 佛山市南海區麗雅苑房地產發展有限公司, the construction of Shishan Project with a gross floor area of approximately 304,009.70 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, various carparks, commercial units and residential units of the property with a total gross floor area of approximately 2,177.51 sq m have been committed for sale at a total consideration of approximately RMB21,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 914406050917501565 dated 16 January 2014, 佛山市南海區麗雅苑房地產發展有限公司has been established as a limited company with a registered capital of RMB200,000,000.

(6) According to the PRC legal opinion:

(i) 佛山市南海區麗雅苑房地產發展有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 佛山市南海區麗雅苑房地產發展有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) As of 19 October 2020, the Real Estate Title Certificate No. (2016)0045516 has been transferred or changed.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II: Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD15a	Greenland International Airport City (Lot No. 4) Jianshe Avenue, Rongjiang New Town, Jieyang Guangdong Province, the PRC 揭陽空港城	Greenland International Airport City (Lot No. 4) is a residential-use development being erected upon one parcel of land with site area of 131,981 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 426,037.78 Commercial 5,415.92 Ancillaries 4,640.87 Basement (Carpark 3,112 lots) 93,492.15 **Total: 529,586.72** The Property is located at the West of Jianshe Avenue and North of Chongxue Road, Rongjiang New Town, Jieyang. The adjacent area is a new development zone with bare development land lots. The land use rights of the Property have been granted for terms of 70 years for residential use.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB843,000,000 (RENMINBI EIGHT HUNDRED FORTY THREE MILLION) (100% interest attributable to the Target Group: RMB843,000,000 (RENMINBI EIGHT HUNDRED FORTY THREE MILLION))

Notes:

(1) According to the Real Estate Title Certificate No. (2020)0003651 dated 3 July 2020, the land use rights of the parcel of land with a total site area of 131,981 sq m upon which the Property is erected have been vested in 揭陽綠昊房地產開發有限公司 for a term of 70 years due to expire on 22 July 2089 for residential use.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	445201-2019-000012
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019008
Site Area:	131,981.00 sq m
Land Premium:	RMB908,050,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	3.2
Gross Floor Area:	422,339.20 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

(3) According to the Planning Permit for Construction Use of Land No. 4452002019R0007 dated 26 July 2019, the construction site of land with a site area of 131,981 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to two Planning Permits for Construction Works No. 445202201900027 and 445202201900028, the construction works of the Property with a total gross floor area of 93,419.63 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to two Permits for Commencement of Construction Works No. 445202201910250101, and 445202201910230101, the construction works of the Property with a total gross floor area of 89,264.76 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to the Pre-sale Permits of Commodity Housing No. 20190036, the development has a total of 672 residential units with a total gross floor area of approximately 81,141.69 sq m and 74 commercial units with a total gross floor area of approximately 4,096 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential, and commercial units of the Property with a total gross floor area of approximately 34,915.01 sq m have been committed for sale at a total consideration of approximately RMB232,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,709,000,000; a construction cost of approximately RMB144,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB3,081,000,000.

(10) According to Business Licence No. 91445200MA53DMJ08, 揭陽綠昊房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(11) According to the PRC legal opinion:

(i) 揭陽綠昊房地產開發有限公司 has obtained the legal and valid Real Estate Title Certificate;

(ii) 揭陽綠昊房地產開發有限公司 is the sole legal owner of the real estate development project; and

(iii) 揭陽綠昊房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group III – Properties held for future development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD15b	Greenland International Airport City (Lot No. 3) Jianshe Avenue, Rongjiang New Town, Jieyang Guangdong Province, the PRC 揭陽空港城	Greenland International Airport City (Lot No. 3) is a commercial-use development being erected upon one parcel of land with site area of 44,464 sq m. The lot of the Property is contracted to be have a plot ratio gross floor area of 124,499.20 sq m. The Property is located at the West of Jianshe Avenue and North of Chongxue Road, Rongjiang New Town, Jieyang. The adjacent area is a new development zone with bare development land lots. The land use rights of the Property have been granted for terms of 40 years for commercial use.	As at the Valuation Date, the Property was bare land.	RMB88,000,000 (RENMINBI EIGHTY EIGHT MILLION) (100% interest attributable to the Target Group: RMB88,000,000 (RENMINBI EIGHTY EIGHT MILLION))

Notes:

(1) According to the Real Estate Title Certificate No. (2020)0003650 dated 3 July 2020, the land use rights of the parcel of land with a total site area of 44,464 sq m upon which the Property is erected have been vested in 揭陽綠昊房地產開發有限公司 for a term of 40 years due to expire on 22 July 2059 for commercial use.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	445201-2019-000011
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019007
Site Area:	44,464.00 sq m
Land Premium:	RMB65,850,000
Land Use Term:	40 years
Land Use:	Commercial, office, hotel
Plot Ratio:	2.8
Gross Floor Area:	124,499.20 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

(3) According to the Planning Permit for Construction Use of Land No. 4452002019R0006 dated 26 July 2019, the construction site of land with a site area of 44,464 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to two Planning Permits for Construction Works No. 445202202000028 and 445202202000035, the construction works of the Property with a total gross floor area of 80,508.35 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to Business Licence No. 91445200MA53DMJ08, 揭陽綠昊房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(6) According to the PRC legal opinion:

(i) 揭陽綠昊房地產開發有限公司 has obtained the legal and valid Real Estate Title Certificate; and

(ii) According to the "Certificate of Real Estate Registration Inquiry" issued by Jieyang Real Estate Registration Center on 14 October 2020, the parcel of land with the property right certificate No. (2020)003650 has been mortgaged to Airport Economic Zone Sub branch of Guangdong Jieyang Rural Commercial Bank Co., Ltd., with a set date of 23 September 2020 to 9 September 2023. There was no seizure of the plot.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD15c	Greenland International Airport City (Lot No. 1, 2, 5, 6) Jianshe Avenue, Rongjiang New Town, Jieyang Guangdong Province, the PRC 揭陽空港城	Greenland International Airport City (Lot No. 1, 2, 5, 6) is a mixed-use development planned to be erected upon four parcels of land with site area of 156,209.00 sq m. The four lots of the Property is contracted to be have a plot ratio gross floor area of 455,649.70 sq m. The Property is located at the both side of Chongxue Road and both side of Jianshe Avenue, Rongjiang New Town, Jieyang. The adjacent area is a new development zone with bare development land lots. The land use rights of the Property have been granted for terms of 40 years and 70 years for commercial and residential uses.	As at the Valuation Date, the Property was bare land.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB663,000,000 (RENMINBI SIX HUNDRED SIXTY THREE MILLION) (100% interest attributable to the Group: RMB663,000,000 (RENMINBI SIX HUNDRED SIXTY THREE MILLION)).

(2) According to four Contracts for Grant of State-owned Land Use Rights:

Contract No.	445201-2019-000009
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019005
Site Area:	36,440 sq m
Land Premium:	RMB70,700,000
Land Use Term:	40 years
Land Use:	Commercial, office, hotel
Plot Ratio:	3.8
Gross Floor Area:	138,472 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

Contract No.	445201-2019-000010
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019006
Site Area:	19,061 sq m
Land Premium:	RMB23,000,000
Land Use Term:	40 years
Land Use:	Commercial, office, hotel
Plot Ratio:	2.1
Gross Floor Area:	40,028.10 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

Contract No.	445201-2019-000013
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019009
Site Area:	24,164.00 sq m
Land Premium:	RMB155,150,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.6
Gross Floor Area:	62,826.40 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

Contract No.	445201-2019-000014
Grantee:	揭陽綠昊房地產開發有限公司
Lot No.:	KG2019010
Site Area:	76,544.00 sq m
Land Premium:	RMB426,500,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.8
Gross Floor Area:	214,323.20 sq m
Building Covenant:	Commence before 31 January 2020 Completed before 31 January 2023

(3) According to four Planning Permits for Construction Use of Land dated 26 July 2019, the construction site of land with a site area of 156,209.00 sq m is in compliance with the urban planning requirements and has been approved.

No.	**Planned Land Use**	**Site Area** *(sq m)*
4452002019R0004	Commercial and office (B)	36,440.00
4452002019R0005	Commercial (B2)	19,061.00
4452002019R0008	Residential (R2)	24,164.00
4452002019R0009	Residential (R2)	76,544.00
Total		156,209.00

(4) According to Business Licence No. 91445200MA53DMJ08, 揭陽綠昊房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(5) According to the PRC legal opinion:

(i) As of 19 October 2020, 揭陽綠昊房地產開發有限公司 has not obtained the Real Estate Title Certificate;

(ii) It has exceeded the deadline of paying land premium, and the Jieyang Municipal Natural Resources Bureau has urged the payment on 9 October 2020; and

(iii) According to Contracts for Grant of State-owned Land Use Rights (NO. 445201-2019-000009, 445201-2019-000010, 445201-2019-000013 and 445201-2019-000014), If 揭陽綠昊房地產開發有限公司 has delayed payment for more than 60 days, and not completed payment even after being urged by the grantor, 揭陽綠昊房地產開發有限公司 has a legal risk that the grantor will terminate the contract and ask for compensation for inability to the obtain land use rights.

(6) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD16	Baiyun Greenland Centre Project No. 888 Yuncheng West Rd, Baiyun District, Guangzhou, Guangdong Province, the PRC 白雲綠地中心項目	Baiyun Greenland Centre Project is a mixed-use development erected upon a parcel of land completed in 2014. The Property comprises the unsold portion of Baiyun Greenland Centre Project as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial (unsold): 6,516.20 Office (unsold): 1,532.29 Office (pre-sold): 708.92 Carpark (unsold) (453 lots): 5,741.93 **Total:** **14,499.34** The Land is located at the west of Yuncheng East Road, the south of Qixin Road, the east of Yuncheng West Road, and the north of Yuncheng South Fourth Road, Baiyun District, Guangzhou. Developments nearby are commercial and industrial buildings. The Property is planned for commercial, official and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 31 March 2051 for commercial use and 31 March 2061 for other use.	As at the Valuation Date, the Property was vacant.	RMB374,000,000 (RENMINBI THREE HUNDRED SEVENTY FOUR MILLION) (100% interest attributable to the Target Group: RMB374,000,000 (RENMINBI THREE HUNDRED SEVENTY FOUR MILLION))

Notes:

(1) According to the State-owned Land Use Rights Certificate No. 201101100116, the land use rights of the parcel of land with a site area of 39,780.19 sq m upon which the Property is erected have been vested in 廣州綠地房地產開發有限公司 due to 31 March 2051 for commercial use.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440111-2010-000008
Grantee:	上海綠地(集團)有限公司
Lot No.:	11004020100001
Site Area:	39,780.00 sq m
Land Premium:	RMB1,440,000,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	5.03
Gross Floor Area:	200,100 sq m
Building Covenant:	Commence before 16 December 2011 Complete before 16 December 2014
Supplementary Contract-1:	Grantee change from 上海綠地(集團)有限公司 to 廣州綠地房地產開發有限公司
Supplementary Contract-2:	Land Premium change from RMB1,440,000,000 to RMB1,460,957,085
Supplementary Contract-3:	Land Premium change from RMB1,460,957,085 to RMB1,478,555,821

(3) According to 2 Certificates of Completion Acceptance, the construction of 白雲綠地中心項目 with a total gross floor area of approximately 292,376.00 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, and office units of the property with a total gross floor area of approximately 708.92 sq m have been committed for sale at a total consideration of approximately RMB37,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440111567913468W, 廣州綠地房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,850,000,000.

(6) According to the PRC legal opinion:

(i) 廣州綠地房地產開發有限公司 has obtained the Real Estate Title Certificate of Baiyun Greenland Center. As of 16 October, 2020, the property rights of the land lot AB2910001 of Baiyun Greenland Center have been changed. The Real Estate Title Certificate listed in this legal opinion was cancelled and recovered. 廣州綠地房地產開發有限公司 is the sole legal owner of the real estate development project; and

(ii) 廣州綠地房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group I, V – Properties held for sale and pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD17	Greenland Financial City No. 662, Huangpu Avenue, Tianhe District, Guangzhou, Guangdong Province, the PRC 綠地金融城項目	Greenland Financial City is a mixed-use development erected upon a parcel of land. The building is planned for 40-storey (180m) above ground. The building is currently erected up to 24-storey (119m approximately) above ground which was completed in 2019. The Property comprises the unsold portion of the completed units of 綠地金融城; and the development potential from 119m to 180m of the building, please see Note 1 below. The Property is located at No. 662, Huangpu Avenue, Tianhe District, Guangzhou. Developments nearby are office and commercial buildings. The Property is planned for office, commercial and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 14 May 2053 for commercial use and 14 May 2063 for other use.	As at the Valuation Date, Group I of the Property was the unsold office units in the completed 119m office building. Group V of the Property was the undeveloped potential from 119m to 180m of the building pending for Title Certificate by the Target Group.	RMB1,211,000,000 (RENMINBI ONE BILLION TWO HUNDRED ELEVEN MILLION) (100% interest attributable to the Target Group: RMB1,211,000,000 (RENMINBI ONE BILLION TWO HUNDRED ELEVEN MILLION)) Please see note (1).

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Gross Floor Area *(sq m)*	Market Value in existing state as at 30 September 2020
I – Held for Sale	Office: 5,690.80 sq m Commercial: 33,679.83 sq m Carparking (319 lots): 4,386.25 sq m	RMB1,211,000,000
		Hypothetical Value for reference as at the Valuation Date
V – Properties pending for Title Certificate	Office: 23,121.20 sq m Apartment: 11,525.25 sq m	RMB482,000,000
	Grand Total:	**RMB1,693,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various office and commercial units of the Property with a total gross floor area of approximately 39,370.63 sq m have been committed for sale at a total consideration of approximately RMB1,099,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group V – According to the information provided by the Target Group, as at the Valuation Date, various office, apartment units of the Property with a total gross floor area of approximately 6,534.63 sq m have been committed for sale at a total consideration of approximately RMB225,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

According to the information provided by the Target Group, the estimated total construction cost to complete the development from 119m to 180m is approximately RMB480,000,000, we have taken into account in our valuation.

(2) According to Certificate for the Use of State-owned Land Use Rights Certificate No. 14110029, the land use rights of the parcel of land with a site area of 14,564 sq m upon which the Property is erected have been vested in 廣州綠地房地產開發有限公司 for a term of 40 years due on 15 May 2013 for commercial use and a term of 50 years due on 15 May 2013 for other use.

As advised by the Target Group, the Property is part of the land.

(3) According to the Contract for Grant of State-owned Land Use Right:

Contract No.	440106-2013-000002
Grantee:	廣州綠地房地產開發有限公司、廣州市邦傑置業有限公司、廣州市穗榮房地產開發有限公司
Lot No.:	AT090912
Site Area:	14,564 sq m
Land Premium:	RMB1,370,758,915
Land Use Term:	40 years for commercial use; 50 years for other use
Land Use:	Commercial and other use
Plot Ratio:	≤7.12
Gross Floor Area:	≤106,281 sq m
Building Covenant:	Commence before 7 August 2014 Complete before 7 August 2017
Supplementary Contract	Guangzhou Land and Resource Bureau confirmed that the Plot: AT090912 located in Huangpu Avenue Tianhe District granted to 廣州綠地房地產開發有限公司, with the site area of 14,564 sq m

As advised by the Target Group, the Property is part of the buildings.

(4) According to Certificates of Completion Acceptance Report, the construction of 綠地金融城 with a total gross floor area of approximately 98,571 sq m has been completed and passed the inspection acceptance.

(5) According to Business Licence No. 91440111567913468W dated 11 January 2011, 廣州綠地房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,850,000,000.

(6) According to the PRC legal opinion:

(i) The Planning Permits for Construction Works has indicated the construction scale of the Property is 40 floors above ground and 4 floors underground with a total gross floor area of 156,110 sq m. According to the Review of Construction Work (2015-86-2) issued by the Guangzhou Municipal Planning Bureau on 20 January 2015 states that the Property is located in the control area of Cencun Airport of Air Force Logistic Department of Guangzhou Military Region, and the height control requirement is below 119m. For the part exceeding the height limit, the consent of the Logistics Department of Air Force of Guangzhou Military Region shall be obtained before construction;

(ii) According to the Permit for Commencement of Construction Works, the construction height of the Property is below 119m;

(iii) 廣州綠地房地產開發有限公司 has obtained the legal and valid Certificate for the Use of State-owned Land and is the sole legal owner of the real estate development project; and

(iv) 廣州綠地房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Certificate for the Use of State-owned Land	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (Group I)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD18	Greenland Four Seasons Impression Garden West of Panzhou Avenue, Shimin District, Maoming, Guangdong Province, the PRC 茂名四季印象	Greenland Four Seasons Impression Garden is a residential development being erected on a parcel of land with a site area of 129,936.90 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 280,837.55 Commercial 18,455.66 Apartment 44,562.34 Ancillaries 2,785.98 Basement (Carpark 2,866 lots) 90,656.76 **Total: 437,298.29** The Property is located at the west of Panzhou Avenue, Shimin District. The adjacent area is a new development zone with woodlands. The land use rights of the Property have been granted for terms of 40 years and 70 years commencing from 30 October 2018 for commercial and residential uses respectively.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2021.	RMB1,532,000,000 (RENMINBI ONE BILLION FIVE HUNDRED THIRTY TWO MILLION) (100% interest attributable to the Target Group: RMB1,532,000,000 (RENMINBI ONE BILLION FIVE HUNDRED THIRTY TWO MILLION))

Notes:

(1) According to Real Estate Title Certificates No. (2018)0008309 dated 27 December 2018, the land use rights of a parcel of land with a site area of 129,936.90 sq m was vested in 茂名市綠茗房地產開發有限公司 for commercial and residential uses commencing from 30 October 2018.

(2) According to Contract for Grant of State-owned Land Use Rights:

Contract No.	440923-2018-00009
Grantee:	茂名市綠茗房地產開發有限公司
Lot No.:	SMX01
Site Area:	129,936.90 sq m
Land Premium:	RMB730,900,000
Land Use Term:	40 years for commercial use 70 years for residential use
Land Use:	Commercial and residential
Plot Ratio:	2.5
Gross Floor Area:	324,842.25 sq m
Building Covenant:	Commence before 18 October 2018 Completed before 18 October 2022

(3) According to Planning Permit for Construction Use of Land dated 15 November 2018, the construction site of land for residential use with a site area of 129,936.90 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to nine Planning Permits for Construction Works No. (2018)0199, (2019)0006, (2019)0197, (2018)0129 , (2018)0128, (2019)0295, (2019)0296, (2020)0067 and (2020)0066, the construction works of the Property with a total gross floor area of 437,173.19 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to eight Permits for Commencement of Construction Works No. 440923201812210501, 440923201902270101, 440923201901170101, 440923201906210101, 440923201907160101, 440923201911200401, 440923201911200201 and 440923201911200301, the construction works of the Property with a total gross floor area of 436,786.23 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to 13 Pre-sale Permits of Commodity Housing No. 2019-002, 2019-001, 2019-010, 2019-011, 2019-013, 2019-016, 2019-018, 2019-019, 2019-020, 2019-021, 2019-042, 2020-001 and 2019-036, the development has a total of 1,431 residential units and 42 retail units with a total gross floor area of approximately 168,536.41 sq m permitted for pre-sale.

(7) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,210,000,000; a construction cost of approximately RMB610,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(8) As advised by the Target Group, as at the Valuation Date, various residential, and office units of the Property with a total gross floor area of approximately 192,013.37 sq m have been committed for sale at a total consideration of approximately RMB1,272,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB2,503,000,000.

(10) According to Business Licence No. 91440902MA52BM972Y, 茂名市綠茗房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(11) According to the PRC legal opinion:

(i) 茂名市綠茗房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 茂名市綠茗房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) According to the "Proof of Inquiry Results of Real Estate Registration Data" and "Inquiry Certificate" issued by the Real Estate Registration Center of Dianbai District, Maoming City, as of 15 October, 2020, the projects under construction that have been registered for mortgage are: Block 16 basements.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD19	Greenland Xinli Haiyue Garden No. 618 Maguan Road, Potou District, Zhanjiang, Guangdong Province, the PRC 湛江新裡海玥花園	Greenland Xinli Haiyue Garden is a residential development being erected on three parcels of land with a site area of 143,523.08 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 277,927.76 Commercial 2,740.40 Apartment 4,173.69 Ancillaries 4,734.50 Basement (Carpark 2,623 lots) 118,469.76 **Total: 408,046.11** The Property is located at No. 618 Maguan Road, Potou District. The adjacent area is a residential zone with residential communities such as Yupin Lanwan and Huijing Yaju. The land use rights of the Property have been granted for commercial and residential uses respectively. Please see note (1) and (2) for details.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB1,226,000,000 (RENMINBI ONE BILLION TWO HUNDRED TWENTY SIX MILLION) (90% interest attributable to the Target Group: RMB1,103,400,000 (RENMINBI ONE BILLION ONE HUNDRED THREE MILLION FOUR HUNDRED THOUSAND))

Notes:

(1) According to Real Estate Title Certificate No. (2019) 0044868 and (2019)000756, the land use rights of two parcels of land with a site area of 104,275.30 sq m was vested in 湛江市領航房地產開發有限公司 for commercial and residential uses commencing from 23 April 2019 and 8 October 2019.

We have been advised by the Target Group that the Certificate for Use of State-owned Land of the portion of the Property has not been obtained yet and we have valued the Property on good title basis.

(2) According to three Contracts for Grant of State-owned Land Use Rights and Modification Agreement of State-owned Land Use Rights:

Contracts for Grant of State-owned Land Use Rights

Date	18 December 1995
Grantee:	廣東湛江市坡頭區金塘房地產開發公司
Lot No.:	–
Site Area:	112,000.00 sq m
Land Premium:	RMB1,120,000.00
Land Use Term:	70 years for residential use
Land Use:	residential
Plot Ratio:	NAV
Gross Floor Area:	NAV
Building Covenant:	NAV

Modification Agreement of State-owned Land Use Rights

Date	23 April 2019
Grantee:	湛江市領航房地產開發有限公司
Location:	No. 618 Maguan Road, Potou District
Site Area:	103,164.71 sq m Western Lot (residential): 62,926.88 sq m Eastern Lot (residential): 18,804.73 sq m Greenland: 5,982.17 sq m Urban Road Land: 15,450.93 sq m
Land Premium:	Nil
Land Use Term:	46.92 years for residential use due to expire on 8 February 2066 40 years for commercial use due to expire on 22 April 2059
Land Use:	Western Lot (residential) Eastern Lot (residential) Greenland Urban Road Land
Plot Ratio:	Western Lot (residential): 2.2 Eastern Lot (residential): 2.5
Gross Floor Area:	185,450.96 sq m
Building Covenant:	Construction works commence from 1 year of the signature date of Modification Agreement of State-owned Land Use Rights.

Contracts for Grant of State-owned Land Use Rights

No.	440804-2019-000001
Date	11 September 2019
Grantee:	湛江市領航房地產開發有限公司
Location	North of Junmin Road, Potou District, Zhanjiang
Site Area:	1,110.59 sq m
Land Premium:	RMB4,700,000
Land Use Term:	40 years for commercial use and 70 years for residential use
Land Use:	Commercial and residential
Plot Ratio:	2.2
Gross Floor Area:	2,443.30 sq m
Building Covenant:	Commence before 13 April 2020 Completed before 13 April 2022

Contracts for Grant of State-owned Land Use Rights

No.	440804-2019-000002
Date	11 September 2019
Grantee:	湛江市領航房地產開發有限公司
Location	North of Junmin Road, east of Jungang Avenue, Potou District, Zhanjiang
Site Area:	39,247.78 sq m
Land Premium:	RMB166,000,000
Land Use Term:	40 years for commercial use and 70 years for residential use
Land Use:	Commercial and residential
Plot Ratio:	2.2
Gross Floor Area:	92,088.67 sq m
Building Covenant:	Commence before 13 October 2020 Completed before 13 October 2022

(3) According to three Planning Permit for Construction Use of Land No. 4408012019G0009, 4408012019G0029, 4408012019G000028, the construction site of land for residential use with a site area of 143,523.08 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to twenty-three Planning Permits for Construction Works No. 4408012019G0034, 4408012019G0032, 4408012019G0033, 4408012019G0074, 4408012019J0220, 4408012020J0147, 4408012019J0220, 4408012020J0148, 4408012020J0149, 4408012020J0153, 4408012020J0154, 4408012020J0155, 4408012020J0156, 4408012020J0157, 4408012020J0158, 4408012020J0159, 4408012020J0160, 4408012020J0161, 4408012020J0162, 4408012020J0163, 4408012020J0164, 4408012020J0165, and 4408012019J0219 the construction works of the Property with a total gross floor area of 227,873.29 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to four Permits for Commencement of Construction Works No. 440804201909300101, 440804201908230101, 440804202001020101 and 44080201911120101, the construction works of the Property with a total gross floor area of 95,323.70 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to thirteen Pre-sale Permits of Commodity Housing No. 0420190009, 0420190010, 0420190011, 0420190012, 0420190013, 0420190014, 0420190028, 0420190029, 0420190027, 0420190026, 0420190025, 0420190017 and 0420190018, the development has a total of 408 residential units with a total gross floor area of approximately 59,070.38 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential units of the Property with a total gross floor area of approximately 75,263.02 sq m have been committed for sale at a total consideration of approximately RMB716,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,389,000,000; a construction cost of approximately RMB404,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB2,771,000,000.

(10) According to Business Licence No. 91440803783873683A, 湛江市領航房地產開發有限公司 has been established as a limited company with a registered capital of RMB52,000,000.

(11) According to the PRC legal opinion:

(i) 湛江市領航房地產開發有限公司 has obtained the legal and valid Real Estate Title Certificate of lot 440804001204GB01243 and WGC2019007. As of 16 October 2020, 湛江市領航房地產開發有限公司 has paid the land transfer fee of Real Estate Title Certificate No. WGC2019008, but the penalty of RMB2,255,000 for late payment fee and RMB824,804 for interest were unpaid. If 湛江市領航房地產開發有限公司 has paid the unpaid late payment fee and interest on time, 湛江市領航房地產開發有限公司 has no substantial legal obstacle to obtain the relevant certificate. 湛江市領航房地產開發有限公司 is the sole legal owner of the real estate development project; and

(ii) 湛江市領航房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes (part)
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes (part)
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD20a	Guangqing International City (Lot No.1) Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC 廣清國際中心項目(1號地)	Guangqing International City (Lot No.1)is a commercial-use development being erected upon one parcel of land with site area of 24,277.22 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial 2,854.31 Office 71,207.02 Basement (Carpark 459 lots) 16,299.46 **Total: 90,360.79** The Property is located at Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan. The adjacent area is a new development zone with residential, commercial and industrial developments. The land use rights of the Property have been granted for terms of 40 years for commercial use.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2023.	RMB99,000,000 (RENMINBI NINETY NINE MILLION) (60% interest attributable to the Target Group: RMB59,400,000 (RENMINBI FIFTY NINE MILLION FOUR HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2020) 0046090 dated 10 August 2020, the land use rights of the parcel of land with a total site area of 24,277.22 sq m upon which the Property is erected have been vested in 清遠市廣清房地產開發有限公司 for a term of 40 years due to expire on 5 August 2060 for commercial use.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	GQY-TDCR-113
Grantee:	清遠市廣清房地產開發有限公司
Lot No.:	441802007016GB00165
Site Area:	24,277.22 sq m
Land Premium:	RMB58,270,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	3
Gross Floor Area:	72,811.74 sq m
Building Covenant:	Commence before 3 September 2020 Complete before 3 June 2023

(3) According to the Planning Permit for Construction Use of Land No. GQ20190002 dated 26 August 2019, the construction site of land with a site area of 24,270.58 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to three Planning Permits for Construction Works No. GQ20190002-3#, GQ20190002-4#, and GQ20190002-地下室, the construction works of the Property with a total gross floor area of 30,767.02 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to the Permits for Commencement of Construction Works No. 441802202009170101, the construction works of the Property with a total gross floor area of 11,613.25 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to the Pre-sale Permits of Commodity Housing No.2020004, the development has a total gross floor area of approximately 11,607.98 sq m was permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various office units of the Property with a total gross floor area of approximately 11,607.98 sq m have been committed for sale at a total consideration of approximately RMB96,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB346,000,000; a construction cost of approximately RMB37,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB56,000,000.

(10) According to Business Licence No. 91441802MA53411Y8Y dated 9 April 2019, 清遠市廣清房地產開發有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(11) According to the PRC legal opinion:

(i) 清遠市廣清房地產開發有限公司 has obtained the legal and valid Real Estate Title Certificate;

(ii) 清遠市廣清房地產開發有限公司 is the sole legal owner of the real estate development project; and

(iii) 清遠市廣清房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD20b	Guangqing International City (Lot No.2) Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC 廣清國際中心項目(2號地)	Guangqing International City (Lot No.2) is a other commercial-use development being erected upon one parcel of land with site area of 27,464.11 sq m. The lot of the Property is contracted to be have a plot ratio gross floor area of 82,369.74 sq m. The Property is located at Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan. The adjacent area is a new development zone with residential, commercial and industrial developments. The land use rights of the Property have been granted for terms of 40 years for other commercial use.	As at the Valuation Date, the property was bare land.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB78,000,000 (RENMINBI SEVENTY EIGHT MILLION) (60% interest attributable to the Group: RMB46,800,000 (RENMINBI FORTY SIX MILLION EIGHT HUNDRED THOUSAND)).

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	GQY-TDCR-111
Grantee:	清遠市廣清房地產開發有限公司
Lot No.:	441802007016GB00164
Site Area:	27,464.11 sq m
Land Premium:	RMB65,920,000
Land Use Term:	40 years
Land Use:	Other Commercial
Plot Ratio:	3
Gross Floor Area:	82,369.74 sq m
Building Covenant:	Commence before 3 September 2020 Complete before 3 June 2023

(3) According to the Planning Permit for Construction Use of Land No. GQ20190001 dated 12 November 2019, the construction site of land with a site area of 27,456.58 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Business Licence No. 91441802MA53411Y8Y dated 9 April 2019, 清遠市廣清房地產開發有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(5) According to the PRC legal opinion:

(i) 清遠市廣清房地產開發有限公司 has not obtained the Real Estate Title Certificate. If 清遠市廣清房地產開發有限公司 has paid the unpaid land grant fees and interest on time, 清遠市廣清房地產開發有限公司 has no substantial legal obstacle to obtain the relevant certificate; and

(ii) 清遠市廣清房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(6) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD20c	Guangqing International City (Lot No.3) Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC 廣清國際中心項目 (3號地)	Guangqing International City (Lot No.3) is a residential-use development being erected upon one parcel of land with site area of 33,106.98 sq m. The lot of the Property is contracted to be have a plot ratio gross floor area of 82,744.52 sq m. The Property is located at Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan. The adjacent area is a new development zone with residential, commercial and industrial developments. The land use rights of the Property have been granted for terms of 70 years for residential use.	As at the Valuation Date, the property was bare land.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB191,000,000 (RENMINBI ONE HUNDRED NINETY ONE MILLION) (60% interest attributable to the Group: RMB114,600,000 (RENMINBI ONE HUNDRED FOURTEEN MILLION SIX HUNDRED THOUSAND)).

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	GQY-TDCR-114
Grantee:	清遠市廣清房地產開發有限公司
Lot No.:	441802007016GB00163
Site Area:	33,106.98 sq m
Land Premium:	RMB181,270,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.5
Gross Floor Area:	82,744.52 sq m
Building Covenant:	Commence before 3 September 2020 Complete before 3 June 2023

(3) According to Business Licence No. 91441802MA53411Y8Y dated 9 April 2019, 清遠市廣清房地產開發有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(4) According to the PRC legal opinion:

(i) 清遠市廣清房地產開發有限公司 has not obtained the Real Estate Title Certificate. If 清遠市廣清房地產開發有限公司 has paid the unpaid land grant fees and interest on time, 清遠市廣清房地產開發有限公司 has no substantial legal obstacle to obtain the relevant certificate; and

(ii) 清遠市廣清房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Contract for Grant of State-owned Land Use Rights	Yes
Business Licence	Yes

VALUATION REPORT

Group II: Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD20d	Guangqing International City (Lot No. 4) Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC 廣清國際中心項目 (4號地)	Guangqing International City (Lot No. 4) is a residential-use development being erected upon one parcel of land with site area of 96,632.38 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 247,833.58 Ancillaries 5,313.93 Basement (Carpark 1,182 lots) 36,511.00 **Total: 289,658.51** The Property is located at Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan. The adjacent area is a new development zone with residential, commercial and industrial developments. The land use rights of the Property have been granted for terms of 70 years for residential use due to expire on 18 July 2089.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB928,000,000 (RENMINBI NINE HUNDRED TWENTY EIGHT MILLION) (60% interest attributable to the Target Group: RMB556,800,000 (RENMINBI FIVE HUNDRED FIFTY SIX MILLION EIGHT HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2019)0076599 dated 22 July 2019, the land use rights of the parcel of land with a total site area of 96,632.38 sq m upon which the Property is erected have been vested in 清遠市廣清房地產開發有限公司 for a term of 70 years due to expire on 18 July 2089 for residential use.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	GQY-TDCR-112
Grantee:	清遠市廣清房地產開發有限公司
Lot No.:	441802007016GB00162
Site Area:	96,632.38 sq m
Land Premium:	RMB398,610,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.5
Gross Floor Area:	241,513.8 sq m
Building Covenant:	Commence before 3 September 2020 Complete before 3 June 2023

(3) According to the Planning Permit for Construction Use of Land No. GQ20180025 dated 24 June 2019, the construction site of land with a site area of 96,605.52 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to thirteen Planning Permits for Construction Works No. GQ20180025-1#, 2#, 24#, GQ20180025-3#, 4#, 23#, GQ20180025-5#, 6#, GQ20180025-7#, GQ20180025-8#, 9#及地下室, GQ20180025-10#, 11#, GQ20180025-12#, GQ20180025-13#, GQ20180025-14#, GQ20180025-15#, GQ20180025-16#, 17#, 22#, GQ20180025-18#, 19#, and GQ20180025-20#及地下室, the construction works of the Property with a total gross floor area of 283,378.35 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to four Permits for Commencement of Construction Works No. 441802201908010101, 441802201908230101, 441802201911250101, and 441802201910150101, the construction works of the Property with a total gross floor area of 283,378.35 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to eight Pre-sale Permits of Commodity Housing No. 2019004, 2019005, 2019006, 2019007, 2019008, 2019009, 2019010 and 2019011, the development has a total of 1,440 residential units with a total gross floor area of approximately 139,139.10 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential, and office units of the Property with a total gross floor area of approximately 68,490.39 sq m have been committed for sale at a total consideration of approximately RMB492,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB984,000,000; a construction cost of approximately RMB428,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,881,000,000.

(10) According to Business Licence No. 91441802MA53411Y8Y dated 9 April 2019, 清遠市廣清房地產開發有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(11) According to the PRC legal opinion:

(i) 清遠市廣清房地產開發有限公司 has obtained the legal and valid Real Estate Title Certificate. As of 16 October 2020, the property right of land has been transferred or changed;

(ii) 清遠市廣清房地產開發有限公司 is the sole legal owner of the real estate development project; and

(iii) 清遠市廣清房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD20e	Guangqing International City (Lot No. 5) Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province, the PRC 廣清國際中心項目(5號地)	Guangqing International City (Lot No. 5) is a residential-use development being erected upon one parcel of land with site area of 77,188.44 sq m. The lot of the Property is contracted to be have a plot ratio gross floor area of 192,917.65 sq m. The Property is located at Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan. The adjacent area is a new development zone with residential, commercial and industrial developments. The land use rights of the Property have been granted for terms of 70 years for residential use.	As at the Valuation Date, the property was bare land.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB364,000,000 (RENMINBI THREE HUNDRED SIXTY FOUR MILLION) (60% interest attributable to the Group: RMB218,400,000 (RENMINBI TWO HUNDRED EIGHTEEN MILLION FOUR HUNDRED THOUSAND)).

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	GQY-TDCR-110
Grantee:	清遠市廣清房地產開發有限公司
Lot No.:	441802007016GB00161
Site Area:	77,188.44 sq m
Land Premium:	RMB318,410,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.5
Gross Floor Area:	192,917.65 sq m
Building Covenant:	Commence before 3 September 2020 Complete before 3 June 2023

(3) According to Business Licence No. 91441802MA53411Y8Y dated 9 April 2019, 清遠市廣清房地產開發有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(4) According to the PRC legal opinion:

(i) 清遠市廣清房地產開發有限公司 has not obtained the Real Estate Title Certificate. If 清遠市廣清房地產開發有限公司 has paid the unpaid land grant fees and interest on time, 清遠市廣清房地產開發有限公司 has no substantial legal obstacle to obtain the relevant certificate; and

(ii) 清遠市廣清房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Contract for Grant of State-owned Land Use Rights	Yes
Business Licence	Yes

VALUATION REPORT

Group II - Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD21a	Zone A and B of Yangjiang Intercity Project, Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC 陽江城際空間項目 (A區及B區)	Zone A and B of Yangjiang Intercity Project is a mixed-use development being erected upon two parcels of land with site area of 131,314.00 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 137,789.08 Hotel 12,650.66 Commercial 42,569.23 Office 51,920.04 Ancillaries 74.70 Basement (Carpark 1,469 lots) 53,283.81 **Total: 298,287.52** The Property is located at the southeast corner and northwest corner of the junction of Xinjiangnan Road and Connection Road of Coastal Highway. The adjacent area is a new development zone with residential, commercial and office developments. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 6 June 2058 and 5 June 2088 respectively.	As at the Valuation Date, the hotel portion of the Property was completed in January 2019; portion of the Property was under construction and scheduled to be completed in 2021.	RMB1,029,000,000 (RENMINBI ONE BILLION TWENTY NINE MILLION) (100% interest attributable to the Target Group: RMB1,029,000,000 (RENMINBI ONE BILLION TWENTY NINE MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 27 June 2018, the land use rights of two parcel of land with a total site area of 131,314.00 sq m upon which the Property is erected have been vested in 陽江市綠浩房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area (*sq m*)
(2018)014323	West of Xinjiangnan Road, east of Lidong Road, south of Heng'er Road, Jiangcheng District, Yangjiang	Commercial	Commence on: 6 June 2018 Expire on: 6 June 2058	61,389.00
(2018)014322	East of Xinjiangnan Road, south of Connection Road of Coastal Highway, Jiangcheng District, Yangjiang	Residential	Commence on: 6 June 2018 Expire on: 5 June 2088	69,925.00
Total:				**131,314.00**

(2) According to two Contracts for Grant of State-owned Land Use Rights:

Contract No.	441701-2018-0000003
Grantee:	廣州市浩信房地產開發有限公司
Lot No.:	03
Site Area:	61,389.00 sq m
Land Premium:	RMB137,000,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	1.6
Gross Floor Area:	98,222.40 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2024
Supplementary Contract:	Grantee change from 廣州市浩信房地產開發有限公司 to 陽江市綠浩房地產開發有限公司

Contract No.	441701-2018-0000004
Grantee:	廣州市浩信房地產開發有限公司
Lot No.:	04
Site Area:	69,925.00 sq m
Land Premium:	RMB264,300,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2
Gross Floor Area:	139,850.00 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2020
Supplementary Contract:	Grantee change from 廣州市浩信房地產開發有限公司 to 陽江市綠浩房地產開發有限公司

(3) According to two Planning Permits for Construction Use of Land No. 2018011 and 2018012 dated 9 April 2018, the construction site of land with a site area of 131,314.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to four Planning Permits for Construction Works No. 2018033, 2018043, 41700201900138 and 41700201900137, the construction works of the Property with a total gross floor area of 186,710.44 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to four Permits for Commencement of Construction Works No. 441782201808310101, 441782201811120101, 441782201810190101 and 441782201808030101, the construction works of the Property with a total gross floor area of 186,710.44 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to five Pre-sale Permits of Commodity Housing No. 2018097, 2018063, 2019006, 2018109 and 2018106, the development has a total of 1,140 residential units with a total gross floor area of approximately 132,769.13 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential, and office units of the Property with a total gross floor area of approximately 124,075.43 sq. m have been committed for sale at a total consideration of approximately RMB895,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,125,000,000; a construction cost of approximately RMB607,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,835,000,000.

(10) According to Business Licence No. 91441700MA51BJJL19, 陽江市綠浩房地產開發有限公司 has been established as a limited company with a registered capital of RMB387,500,000.

(11) According to the PRC legal opinion:

(i) 陽江市綠浩房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 陽江市綠浩房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) According to the "Certificate of Real Estate Registration Inquiry" issued by Yangjiang Real Estate Registration Center on 16 October 2020, the parcel of land with the property right certificate No. (2018) 014323 has been mortgaged to Yangjiang branch of Bank of China, with a set date of 26 November 2020 to 31 December 2021. There was no seizure of the plot.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Property held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD21b	Zone C and D of Yangjiang Intercity Project, Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC 陽江城際空間項目(C區及D區)	Zone C and D of Yangjiang Intercity Project, is a mixed-use development being erected upon two parcels of land with site area of 119,416.00 sq m. The development of the Property is planned as below: **Uses** — **Gross Floor Area** *(sq m)* Residential — 129,398.20 Hotel — 15,029.44 Commercial — 41,515.30 Office — 29,225.83 Ancillaries — 1,299.14 Basement (Carpark 1,198 lots) — 44,300.84 **Total:** — **260,768.75** The Property is located at the east of Jianglang Avenue and south of Siwei Avenue. The adjacent area is a new development zone with residential, commercial and office developments. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 19 September 2058 and 19 September 2088 respectively.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB968,000,000 (RENMINBI NINE HUNDRED SIXTY EIGHT MILLION) (100% interest attributable to the Target Group: RMB968,000,000 (RENMINBI NINE HUNDRED SIXTY EIGHT MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 30 September 2018, the land use rights of two parcel of land with a total site area of 119,416.00 sq m upon which the Property is erected have been vested in 陽江市綠灣房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2018)0012656	South of Connection Road of Coastal Highway, east of Jianglang Avenue, Jiangcheng District, Yangjiang	Commercial	Commence on: 19 September 2018 Expire on: 19 September 2058	59,303.00
(2018)0031266	South of Siwei Avenue, east of Xinjiangnan Road, Jiangcheng District, Yangjiang	Residential	Commence on: 19 September 2018 Expire on: 19 September 2088	60,113.00
Total:				**119,416.00**

(2) According to two Contracts for Grant of State-owned Land Use Rights:

Contract No.	441701-2018-0000007
Grantee:	廣州市綠輝房地產開發有限公司
Lot No.:	07
Site Area:	59,303.00 sq m
Land Premium:	RMB116,900,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	1.3
Gross Floor Area:	77,093.90 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2024
Supplementary Contract:	Grantee change from廣州市綠輝房地產開發有限公司 to 陽江市綠灣房地產開發有限公司

Contract No.	441701-2018-0000008
Grantee:	廣州市綠輝房地產開發有限公司
Lot No.:	08
Site Area:	60,113.00 sq m
Land Premium:	RMB232,600,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.2
Gross Floor Area:	307,549.00 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2020
Supplementary Contract:	Grantee change from 廣州市綠輝房地產開發有限公司 to 陽江市綠灣房地產開發有限公司

(3) According to two Planning Permits for Construction Use of Land No. 2018013 and 2018014 dated 9 April 2018, the construction site of land with a site area of 119,416.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to eight Planning Permits for Construction Works No. 2019005, 2019018, 2019019, 2019020, 2019021, 2019022, 2019001 and 2019002 the construction works of the Property with a total gross floor area of 261,773.73 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to eight Permits for Commencement of Construction Works No. 441782201903250101, 441782201904300401, 441782201904300501, 441782201904300101, 441782201904300201, 441782201904300301, 441782201901180101 and 441782201901180201, the construction works of the Property with a total gross floor area of 261,773.73 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to five Pre-sale Permits of Commodity Housing No. 2019056, 2019083, 2019082, 2018109 and 2019072, the development has a total of 1,060 residential units with a total gross floor area of approximately 123,211.30 sq m and 7 office units with a total gross floor area of 27,781.16 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential units of the Property with a total gross floor area of approximately 46,272.18 sq. m have been committed for sale at a total consideration of approximately RMB270,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB880,000,000; a construction cost of approximately RMB475,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,636,000,000.

(10) According to Business Licence No. 91441700MA51BJG02, 陽江市綠灣房地產開發有限公司 has been established as a limited company with a registered capital of RMB360,000,000.

(11) According to the PRC legal opinion:

(i) 陽江市綠灣房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 陽江市綠灣房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Property held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD21c	Zone E and F of Yangjiang Intercity Project Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC 陽江城際空間項目 (E、F區)	Zone E and F of Yangjiang Intercity Project is a mixed-use development being erected upon two parcels of land with site area of 190,559.00 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 308,331.18 Office 66,447.23 Commercial 6,148.08 Grade A Office 63,234.51 Ancillaries 6,003.04 Basement (Carpark 2,788 lots) 87,597.50 **Total: 537,761.54** The Property is located at both side of Connection Road of Coastal Highway. The adjacent area is a new development zone with residential, commercial and office developments. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use respectively. Please refer to note (1) for the expiry date.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB1,031,000,000 (RENMINBI ONE BILLION THIRTY ONE MILLION) (100% interest attributable to the Target Group: RMB1,031,000,000 (RENMINBI ONE BILLION THIRTY ONE MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 30 September 2018, the land use rights of two parcels of land with a total site area of 190,559.00 sq m upon which the Property is erected have been vested in 陽江市綠畔房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2018)0031271	North of Connection Road of Coastal Highway, east of Jianglang Avenue, Jiangcheng District, Yangjiang	Residential	Commence on: 19 September 2018 Expire on: 19 September 2088	139,795.00
(2018)0031270	North of Connection Road of Coastal Highway, east of Xinjiangnan Road, Jiangcheng District, Yangjiang	Commercial	Commence on: 19 September 2018 Expire on: 19 September 2058	50,764.00
Total:				**190,559.00**

(2) According to two Contracts for Grant of State-owned Land Use Rights:

Contract No.	441701-2018-0000001
Grantee:	廣州市南瑞置業有限公司
Lot No.:	01
Site Area:	139,795.00 sq m
Land Premium:	RMB577,600,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.2
Gross Floor Area:	307,549.00 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2022
Supplementary Contract:	Grantee change from 廣州市南瑞置業有限公司 to 陽江市綠畔房地產開發有限公司

Contract No.	441701-2018-0000002
Grantee:	廣州市南瑞置業有限公司
Lot No.:	02
Site Area:	50,764.00 sq m
Land Premium:	RMB191,800,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	2.6
Gross Floor Area:	131,986.4 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2022
Supplementary Contract:	Grantee change from 廣州市南瑞置業有限公司 to 陽江市綠畔房地產開發有限公司

(3) According to two Planning Permits for Construction Use of Land No. 2018016 and 2018017 dated 25 June 2018, the construction site of land with a site area of 190,559.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to six Planning Permits for Construction Works No. 41700201900071, 441700201900201, 441700201900191, 441700201900190, 441700201900141, 441700201900189 the construction works of portion of the Property with a total gross floor area of 170,374.97 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to three Permits for Commencement of Construction Works No. 441702201907160201, 441702201907190201, and 441702201907190301, the construction works of the Property with a total gross floor area of 262,749.38 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,748,000,000; a construction cost of approximately RMB432,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(7) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB2,926,000,000.

(8) According to Business Licence No. 91441700MA51BJQ2G, 陽江市綠畔房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(9) According to the PRC legal opinion:

(i) 陽江市綠畔房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 陽江市綠畔房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments;

(iii) According to the "Certificate of Real Estate Registration Inquiry" issued by Yangjiang Real Estate Registration Center on 16 October 2020, the parcel of land with the property right certificate No. (2018)0031271 has been mortgaged as under development construction. There was no seizure of the plot; and

(iv) According to the "Certificate of Real Estate Registration Inquiry" issued by Yangjiang Real Estate Registration Center on 16 October 2020, the parcel of land with the property right certificate No. (2018)0031270 has been mortgaged to Yangjiang branch of China Construction Bank Co., Ltd., with a set date of 18 January 2019 to 17 January 2022. There was no seizure of the plot.

(10) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION REPORT

Group III - Properties held for future development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD21d	Zone J and K of Yangjiang Intercity Project Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC 陽江城際空間項目(J區及K區)	Zone J and K of Yangjiang Intercity Project is a mixed-use development being erected upon two parcels of land with site area of 71,964.00 sq m. The development of the Property is planned with a total plot ratio gross floor area of approximately 149,957.10 sq m. The Property is located at the north of the Connection Road of Coastal Highway. The adjacent area is a new development zone with residential, commercial and office developments. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 12 November 2058 and 12 November 2088 respectively.	As at the Valuation Date, the Property was bare land.	RMB227,000,000 (RENMINBI TWO HUNDRED TWENTY SEVEN MILLION) (100% interest attributable to the Target Group: RMB227,000,000 (RENMINBI TWO HUNDRED TWENTY SEVEN MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 22 November 2018, the land use rights of two parcel of land with a total site area of 71,964.00 sq m upon which the Property is erected have been vested in 陽江市綠灣房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2018)0038984	North of Connection Road of Coastal Highway, west of Xinjiangnan Road, Jiangcheng District, Yangjiang	Commercial	Commence on: 12 November 2018 Expire on: 12 November 2058	30,687.00
(2018)0038978	North of Connection Road of Coastal Highway, east of Chengnandong Road, Jiangcheng District, Yangjiang	Residential	Commence on: 12 November 2018 Expire on: 12 November 2088	41,277.00
Total:				**71,964.00**

(2) According to two Contracts for Grant of State-owned Land Use Rights:

Contract No.	441701-2018-0000011
Grantee:	廣州市浩信房地產開發有限公司
Lot No.:	11
Site Area:	30,687.00 sq m
Land Premium:	RMB114,200,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	2.6
Gross Floor Area:	79,786.20 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2024
Supplementary Contract:	Grantee change from 廣州市浩信房地產開發有限公司 to 陽江市綠浩房地產開發有限公司

Contract No.	441701-2018-0000012
Grantee:	廣州市浩信房地產開發有限公司
Lot No.:	12
Site Area:	41,277.00 sq m
Land Premium:	RMB121,500,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	1.7
Gross Floor Area:	70,170.90 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2022
Supplementary Contract:	Grantee change from 廣州市浩信房地產開發有限公司 to 陽江市綠浩房地產開發有限公司

(3) According to two Planning Permits for Construction Use of Land No. 2018020 and 2018021 dated 25 June 2018, the construction site of land with a site area of 71,964.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Business Licence No. 91441700MA51BJJL19, 陽江市綠浩房地產開發有限公司 has been established as a limited company with a registered capital of RMB387,500,000.

(5) According to the PRC legal opinion:

(i) 陽江市綠浩房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 陽江市綠浩房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) According to the "Certificate of Real Estate Registration Inquiry" issued by Yangjiang Real Estate Registration Center on 16 October 2020, two parcels of land with the property right certificate No. (2018)0038984 and (2018)0038978 has been mortgaged to Yangjiang branch of Bank of China Co., Ltd., with a set date of 18 January 2019 to 17 January 2022. There was no seizure of the plot.

(6) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

VALUATION REPORT

Group III - Properties held for future development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD21e	Zone G and H of Yangjiang Intercity Project Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province, the PRC 陽江城際空間項目 (G、H區)	Zone G and H of Yangjiang Intercity Project is a mixed-use development being erected upon two parcels of land with site area of 108,804.00 sq m. The development of the Property is planned with a total plot ratio gross floor area of approximately 246,012.20 sq m. The Property is located at both side of Connection Road of Coastal Highway. The adjacent area is a new development zone with residential, commercial and office developments. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use respectively. Please refer to note (1) for the expiry date.	As at the Valuation Date, the Property was bare land.	RMB394,000,000 (RENMINBI THREE HUNDRED NINETY FOUR MILLION) (100% interest attributable to the Target Group: RMB394,000,000 (RENMINBI THREE HUNDRED NINETY FOUR MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 15 February 2019 and 22 November 2018, the land use rights of two parcels of land with a total site area of 108,804.00 sq m upon which the Property is erected have been vested in 陽江市綠畔房地產開發有限公司:

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2019)0007358	North of Connection Road of Coastal Highway, east of Chengnandong Road, south of Heng'er Road, Jiangcheng District, Yangjiang	Commercial and residential	Commercial: Commence on: 12 November 2018 Expire on: 12 November 2058 Residential: Commence on: 12 November 2018 Expire on: 12 November 2088	42,370.00

No.	Location	Land Use	Land Use Term	Site Area (*sq m*)
(2018)0038976	South of Connection Road of Coastal Highway, east of Jianglang Avenue, west of Liyang Road, Jiangcheng District, Yangjiang	Residential	Commence on: 12 November 2018 Expire on: 12 November 2088	66,434.00
Total:				**108,804.00**

(2) According to two Contracts for Grant of State-owned Land Use Rights:

Contract No.	441701-2018-0000009
Grantee:	廣州市南瑞置業有限公司
Lot No.:	09
Site Area:	42,370.00 sq m
Land Premium:	RMB146,300,000
Land Use Term:	70 years
Land Use:	Commercial and residential
Plot Ratio:	2.3
Gross Floor Area:	152,798.20 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2022
Supplementary Contract:	Grantee change from 廣州市南瑞置業有限公司 to 陽江市綠畔房地產開發有限公司

Contract No.	441701-2018-0000010
Grantee:	廣州市南瑞置業有限公司
Lot No.:	10
Site Area:	66,434.00 sq m
Land Premium:	RMB285,700,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.3
Gross Floor Area:	152,798.20 sq m
Building Covenant:	Commence before 30 October 2019 Complete before 30 October 2022
Supplementary Contract:	Grantee change from 廣州市南瑞置業有限公司 to 陽江市綠畔房地產開發有限公司

(3) According to two Planning Permits for Construction Use of Land No. 2018018 and 2018019 dated 25 June 2018, the construction site of land with a site area of 108,804.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Business Licence No. 91441700MA51BJQ2G, 陽江市綠畔房地產開發有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(5) According to the PRC legal opinion:

(i) 陽江市綠畔房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 陽江市綠畔房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) According to the "Certificate of Real Estate Registration Inquiry" issued by Yangjiang Real Estate Registration Center on 16 October 2020, two parcels of land with the property right certificate No. (2019)0007358 and (2018)0038976 has been mortgaged to Yangjiang branch of China Construction Bank Co., Ltd., with a set date of 18 January 2019 to 17 January 2022. There was no seizure of the plot.

(6) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

VALUATION REPORT

Group I, II – Properties held for sale and under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD22	The unsold portion of Shunde Greenland Center ("Shunde Project") Lot No. 39, Yunjin East Area, Daliang Street, Shunde District, Foshan City, Guangdong Province, the PRC 順德綠地中心	Shunde Project is a mixed-use development erected upon a parcel of land completed in 2016. The remaining part is under development. The Property comprises the unsold portion of Shunde Project. The Group I of the Property comprises the unsold portion as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial: 3,862.12 Carpark (1,397 lots): 278.52 **Total: 4,140.64** The development potential of Group II of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Apartment: 71,843.87 Commercial: 25,347.49 Office: 25,808.77 Carpark (1,490 lots): 20,457.50 **Total: 143,487.63** The Land is located at the south of Dongle Road, the east of Haishan North Road, the west of Yunyang Road, Daliang Street, Shunde District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 25 March 2054 for commercial use and 25 March 2084 for residential use.	As at the Valuation Date, Group I of the Property was vacant. Group II of the Property was under development and scheduled for completion in 2021.	RMB994,000,000 (RENMINBI NINE HUNDRED NINETY FOUR MILLION) (100% interest attributable to the Target Group: RMB994,000,000 (RENMINBI NINE HUNDRED NINETY FOUR MILLION))

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area (sq m)	Market Value in existing state as at 30 September 2020
I – Held for Sale	Commercial	3,862.12	RMB50,000,000
	Carpark (8 lots)	278.52	
		Total: 4,140.64	
II – Held under Development	Apartment	71,843.87	RMB944,000,000
	Commercial	25,347.49	
	Office	25,808.77	
	Carpark (1,490 lots)	20,487.50	
		Total: 143,487.63	
		Grand Total:	**RMB994,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various commercial units of the property with a total gross floor area of approximately 297.01 sq m have been committed for sale at a total consideration of approximately RMB4,400.00 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group II – According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB890,000,000; a construction cost of approximately RMB331,000,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

The Market Value as if completed of the Property as at the Valuation Date was approximately RMB1,844,000,000.

(2) According to Real Estate Title Certificate No. (2019)0035376, the land use rights of the parcel of land with a site area of 50,246.51 sq m upon which the Property is erected have been vested in 綠地集團佛山順德綠安置業有限公司 for a term due to expire on 25 March 2054 for commercial use and 25 March 2084 for residential use.

(3) According to Contract for Grant of State-owned Land Use Rights No. 440606-2014-000026:

Grantee:	廣州綠地房地產開發有限公司
Lot No.:	133104-008
Site Area:	50,246.51 sq m
Land Premium:	RMB670,000,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Commercial and residential
Plot Ratio:	≤4.0
Gross Floor Area:	≤200,986.04 sq m
Building Covenant:	Commence before 25 March 2015 Completed before 24 March 2018
Supplemental Agreement:	The grantee of land plot 133104-008 was changed from 廣州綠地房地產開發有限公司 into 綠地集團佛山順德綠安置業有限公司 retaining other clauses

(4) According to Planning Permit for Construction Use of Land No. 440606201403701, the construction site of land with a site area of 50,246.51 sq m is in compliance with the urban planning requirements and has been approved.

(5) According to 5 Planning Permit for Construction Works No. 440606201500595, 440606201502321, 440606201716941, 440606201906059 and 440606201510773, the construction works of the Property with a total gross floor area of 271,391.59 sq m are in compliance with the requirement of urban planning and have been permitted.

(6) According to 4 Permit for Commencement of Construction Works No. 440606201503160319, 440606201509110201, 440606201809300101 and 440606201508190101, the construction works of the Property with a total gross floor area of 271,391.59 sq m are in compliance with the requirement of work commencement and have been permitted.

(7) According to 7 Pre-sale Permit of Commodity Housing No. 2015017803, 2015017903, 2015018003, 2015023303, 2016008203, 2019014503 and 2019014603, the development has a total gross floor area of approximately 100,999.91 sq m permitted for pre-sale.

(8) According to 3 Certificates of Completion Acceptance in favour of綠地集團佛山順德綠安置業有限公司, the construction of Shunde Project with a gross floor area of approximately 90,157.55 sq m has been completed and passed the inspection acceptance.

(9) According to Business Licence No. 914406060923500318 dated 26 January 2014, 綠地集團佛山順德綠安置業有限公司has been established as a limited company with a registered capital of RMB550,000,000.

(10) According to the PRC legal opinion:

(i) 綠地集團佛山順德綠安置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 綠地集團佛山順德綠安置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group I, IV – Properties held for sale and investment by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD23	The unsold portion of Vanke Greenland Jinyu Zhongyang ("Jinyu Zhongyang Project") Block B23 and B24, Financial Zone C, Guicheng, Nanhai District, Foshan City, Guangdong Province, the PRC 萬科綠地金域中央	Jinyu Zhongyang Project is a mixed-use development erected upon two parcels of land completed between 2016 and 2019. Portion of the Property was held for investment. The Property comprises the unsold portion of Jinyu Zhongyang Project, please see Note 1 below. The Land is located at the south of Haiba East Road, the east of Guangzhou-Foshan-Zhuhai Highway Guicheng, Nanhai District, Foshan. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 24 October 2053 for commercial use and 24 October 2083 for residential use.	As at the Valuation Date, Group I of the Property was vacant. Group IV of the Property was leased to various tenants with the latest expiry date in 2039.	RMB1,009,000,000 (RENMINBI ONE BILLION NINE MILLION) (50% interest attributable to the Target Group: RMB504,500,000 (RENMINBI FIVE HUNDRED FOUR MILLION FIVE HUNDRED THOUSAND))

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area *(sq m)*	Market Value in existing state as at 30 September 2020
I – Held for Sale	Apartment	4,733.68	RMB601,000,000
	Commercial	7,558.45	
	Kindergarten	1,480.96	
	Carpark (2,783 lots)	106,999.74	
		Total: 120,772.83	
IV – Held for investment	Hotel	32,666.89	RMB408,000,000
	Commercial	11,076.71	
	Kindergarten	6,221.05	
		Total: 49,964.65	
		Grand Total:	**RMB1,009,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various commercial, apartment and carpark units of the property with a total gross floor area of approximately 35,333.63 sq m have been committed for sale at a total consideration of approximately RMB269,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group IV – According to the information provided by the Target Group, as at the Valuation Date, various hotel, commercial and kindergarten units of the property with a total gross floor area of approximately 49,964.65 sq m were leased to various tenants at a total monthly rent of RMB900,000 with the latest expiry date in 2039.

(2) According to 3 State-owned Land Use Rights Certificates, the land use rights of 3 parcel of land with a total site area of 188,996.40 sq m upon which the Property is erected have been vested in 佛山市南海區萬瑞投資有限公司.

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2014) 0100255	Land A, Block B23 and B24, Financial Zone C, Guicheng, Nanhai District, Foshan City, Guangdong Province, the PRC	Commercial and Residential	40 years expire on 24 October 2053 for commercial use 70 years expire on 24 October 2083 for residential use	35,302.10
(2014) 0100256	Land B, Block B23 and B24, Financial Zone C, Guicheng, Nanhai District, Foshan City, Guangdong Province, the PRC	Commercial and Residential	40 years expire on 24 October 2053 for commercial use 70 years expire on 24 October 2083 for residential use	75,599.70
(2014) 0100258	Land C, Block B23 and B24, Financial Zone C, Guicheng, Nanhai District, Foshan City, Guangdong Province, the PRC	Commercial and Residential	40 years expire on 24 October 2053 for commercial use 70 years expire on 24 October 2083 for residential use	78,094.60
Total:				**188,996.40**

(3) According to Contract for Grant of State-owned Land Use Rights No. 440605-2013-000156:

Grantee:	佛山市萬科置業有限公司
Lot No.:	Land A: GD0102001003 Land B: GD0102001002 Land C: GD0102001004
Site Area:	188,996.30 sq m
Land Premium:	RMB3,128,440,000
Land Use Term:	70 years for residential use 40 years for commercial use
Land Use:	Office, hotel, commercial and residential
Plot Ratio:	3.5≤r≤4.2
Gross Floor Area:	≥661,487.05 sq m and ≤793,784.46 sq m
Building Covenant:	Commence before 25 October 2014 Completed before 25 October 2017

(4) According to 39 Certificates of Completion Acceptance in favour of 佛山市南海區萬瑞投資有限公司, the construction of Jinyu Zhongyang Project with a gross floor area of approximately 1,056,224.58 sq m has been completed and passed the inspection acceptance.

As advised by the Target Group, the Property is part of the buildings.

(5) According to Business Licence No. 914406050826318768 dated 31 October 2013, 佛山市南海區萬瑞投資有限公司has been established as a limited company with a registered capital of RMB1,092,960,000.

(6) According to the PRC legal opinion:

(i) 佛山市南海區萬瑞投資有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(ii) 佛山市南海區萬瑞投資有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iii) As of 21 October 2020, the State-owned Land Use Rights Certificate Nos. (2014)0100255, (2014)0100256 and (2014)0100258 have been transferred or changed.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD24	Greenland Center SGC, South of Tongxin Road, Shen Shan Cooperation Zone, Shenzhen City, Guangdong Province, the PRC 深汕綠地中心項目	Greenland Center SGC is a mixed-use development being erected upon a parcel of land with site area of 26,425.10 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Apartment 64,772.08 Office 53,663.94 Service Apartment 13,000.00 Retail 30,000.00 Carpark 43,479.94 **Total: 204,915.96** The Property is located at the south of Tongxin Road, the west of Chuangyuan Road, the North of Dade Road and the east of Eastern Building (東部大廈). Developments nearby are industrial parks, and commercial and residential buildings under construction. The Property is planned for commercial and financial use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term of 40 years due to expire on 15 January 2058 for commercial and financial use.	As at the Valuation Date, the Property was under construction and was scheduled to be completed in December 2022.	RMB674,000,000 (RENMINBI SIX HUNDRED SEVENTY FOUR MILLION) (100% interest attributable to the Target Group: RMB674,000,000 (RENMINBI SIX HUNDRED SEVENTY FOUR MILLION))

Notes:

(1) According to the Real Property Ownership Certificate No. 20180000020, the land use rights of the parcel of land with a site area of 26,425.10 sq m upon which the Property is erected have been vested in 深汕特別合作區綠晟房地產開發有限公司 for a term of 40 years due to expire on 15 January 2058 for commercial and financial use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 20170025:

Grantee:	深汕特別合作區綠晟房地產開發有限公司
Lot No.:	E2017-0001
Site Area:	26,425.10 sq m
Land Premium:	RMB295,000,000
Land Use Term:	40 years
Land Use:	Commercial and finance
Plot Ratio:	6.0
Gross Floor Area:	158,550.60 sq m
Building Covenant:	Commence before 16 July 2017 Complete before 16 January 2021

(3) According to Planning Permit for Construction Use of Land No. 2018-004, the construction site of land with a site area of 26,425.10 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Planning Permit for Construction Works No. 2018017, No. 2019030, No. 2019009, the construction works of the Property with a total gross floor area of 204,857.08 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to Permit for Commencement of Construction Works No. 441505201901140101, No. 441505201907120101, the construction works of the Property with a total gross floor area of 204,857.08 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to Pre-sale permit Shen Fang Xu Zi (2019) Shen Shan No. 004, the Group is entitled to sell Block 1 and 2 of Shen Shan Greenland Centre (representing a total gross floor area approximately 46,265.06 sq m) to purchasers.

(7) As advised by the Target Group, as at the Valuation Date, various apartment units of the Property with a total gross floor area of approximately 9,918.68 sq. m have been committed for sale at a total consideration of approximately RMB96,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) As advised by the Target Group, the construction cost incurred (excluding the land cost) as at the Valuation Date was approximately RMB286,700,000 The estimated outstanding construction cost to complete the development as at the Valuation Date was RMB567,000,000 We have taken into account such costs in the course of our valuation.

(9) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB1,639,000,000 (excluding value-added tax).

(10) According to Business Licence No. 91441500MA5187ND2T dated 10 January 2018, 深汕特別合作區綠晟房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,000,000.

(11) According to the PRC legal opinion:

(i) 深汕特別合作區綠晟房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 深汕特別合作區綠晟房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Property Ownership Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD25	Greenland Center STGC Lot No. 020402, and 020405 Nanbin Zone, Zhongxin Binhai New Town, Haojiang District, Shantou, Guangdong Province, the PRC 汕頭綠地中心	Greenland Center STGC is a commercial and office development being erected upon two parcels of land with site area of 29,524.41 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Grade-A Office 71,544.25 Apartment 46,307.19 Office 13,111.35 Commercial 7,215.68 Ancillaries – Basement (Carpark 1,186 lots) 46,107.24 **Total: 184,285.71** The Property is located at the south of Zhonghuan Junyue Nanwan (中環君悅南灣), East of Zhonghuan Huanyu Tianxia (中海寰宇天下), north of Goumuhan Mountain (狗母涵山). The adjacent area is a new development zone with residential developments. The land use rights of the Property have been granted for a term of 40 years for commercial use due to expire on 8 January 2058.	As at the Valuation Date, the Property is under construction and scheduled for completion in 2022.	RMB524,000,000 (RENMINBI FIVE HUNDRED TWENTY FOUR MILLION) (100% interest attributable to the Target Group: RMB524,000,000 (RENMINBI FIVE HUNDRED TWENTY FOUR MILLION))

Notes:

(1) According to two Real Estate Title Certificates dated 18 April 2018, the land use rights of two parcel of land with a total site area of 29,524.41 sq m upon which the Property is erected have been vested in 汕頭綠地投資置業有限公司:

No.	Location	Land Use	Land Use Term	Site Area (*sq m*)
(2018)0002299	Lot No. 020402, Nanbin Zone, Zhongxin Binhai New Town, Haojiang District, Shantou,	Commercial	Commence on: 9 January 2018 Expire on: 8 January 2058	14,951.10
(2018)0002304	Lot No. 020405, Nanbin Zone, Zhongxin Binhai New Town, Haojiang District, Shantou,	Commercial	Commence on: 9 January 2018 Expire on: 8 January 2058	14,573.31
Total:				**29,524.41**

(2) According to Contract for Grant of State-owned Land Use Rights:

Contract No.	440512-2018-000003
Grantee:	汕頭綠地投資置業有限公司
Lot No.:	020402 and 020405
Site Area:	40,535.27 sq m
Land Premium:	RMB188,000,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	4.5
Gross Floor Area:	182,408.71 sq m
Building Covenant:	Commence before 9 January 2019

(3) According to Planning Permits for Construction Use of Land dated 26 July 2019, the construction site of land with a site area of 36,440.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to three Planning Permits for Construction Works No. (2018)051, (2018)042 and (2018)04*, the construction works of the Property with a total gross floor area of 185,165.47 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to three Permits for Commencement of Construction Works No. 440512201904300101, 440512201811090101 and 440512201812190101, the construction works of the Property with a total gross floor area of 185,165.47 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to three Pre-sale Permit of Commodity Housing No. (2019)019, (2018)029 and (2019)036, the development has a total of 1,072 commercial units with a total gross floor area of approximately 61,154.87 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various apartment and commercial units of the Property with a total gross floor area of approximately 37,741.48 sq. m have been committed for sale at a total consideration of approximately RMB327,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB794,000,000; a construction cost of approximately RMB172,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,453,000,000.

(10) According to Business Licence No. 91440512MA511K664F, 汕頭綠地投資置業有限公司 has been established as a limited company with a registered capital of RMB300,000,000.

(11) According to the PRC legal opinion:

(i) 汕頭綠地投資置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 汕頭綠地投資置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD26a	International Airport Center (phase 1) Yingbin Avenue, Huadu District, Guangzhou, Guangdong Province, the PRC 綠地空港國際中心項目(1號地塊)	International Airport Center (phase 1) is a mixed-use development being erected upon a parcel of land with site area of 17,133.00 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Office 50,305.60 Commercial 1,540.70 Basement (Carpark 471 lots) 18,887.60 **Total: 70,733.90** The Land is located at the west of Jing-Guang Line, the east of Qingtang Road, the south of Yingbin Avenue, the north of Yayao East Road, Huadu District, Guangzhou. Developments nearby are commercial and residential buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 14 July 2066 for commercial use.	As at the Valuation Date, the Property was under development and scheduled for completion in March 2021.	RMB310,000,000 (RENMINBI THREE HUNDRED TEN MILLION) (70% interest attributable to the Target Group: RMB217,000,000 (RENMINBI TWO HUNDRED SEVENTEEN MILLION))

Notes:

(1) According to the Real Estate Title Certificate No. (2016)08230716, the land use rights of the parcel of land with a site area of 17,133.00 sq m upon which the Property is erected have been vested in 廣州綠港房地產開發有限公司.

No.	Location	Land Use	Land Use Term	Site Area (*sq m*)
(2016)08230716	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	17,133.00

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440114-2016-000002
Grantee:	廣州綠港房地產開發有限公司
Lot No.:	14001020160012
Site Area:	219,105.00 sq m
Land Premium:	RMB2,497,800,000
Land Use Term:	40 years; 50 years
Land Use:	Commercial; Office
Plot Ratio:	3.0
Gross Floor Area:	657,315.00 sq m
Building Covenant:	Commence before 15 July 2016 Complete before 14 July 2066

(3) According to Planning Permit for Construction Use of Land No. 20164, the construction site of land with a site area of 219,105.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Planning Permit for Construction Works No. 201973, the construction works of the Property with a total gross floor area of 70,733.90 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to Permit for Commencement of Construction Works No. 44011421912130102, the construction works of the Property with a total gross floor area of 70,733.90 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) As advised by the Target Group, as at the Valuation Date, various carparks, office and commercial units of the Property with a total gross floor area of approximately 50,677.45 sq m have been committed for sale at a total consideration of approximately RMB667,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(7) As advised by the Target Group, the construction cost incurred (excluding the land cost) as at the Valuation Date was approximately RMB67,000,000. The estimated outstanding construction cost to complete the development as at the Valuation Date was RMB375,000,000. We have taken into account such costs in the course of our valuation.

(8) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB743,000,000.

(9) According to Business Licence No. 91440114MA59CEJ76Q, 廣州綠港房地產開發有限公司 has been established as a limited company with a registered capital of RMB400,000,000.

(10) According to the PRC legal opinion:

(i) 廣州綠港房地產開發有限公司 has obtained the Real Estate Title Certificates for the real estate projects in plot 1 and 4 of International Airport Center, it has obtained the Real Estate Title Certificates of the real estate projects on plot 2, 3, 5, 6 and 7 at some time in the past. By 6 October 2020, the Real Estate Title Certificates of plot 2, 3, 5, 6 and 7have been cancelled; and

(ii) 廣州綠港房地產開發有限公司 is the sole legal owner of the above real estate development project and has obtained the certificates and approvals listed in this legal opinion from the relevant competent government departments for the above real estate development project.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD26b	International Airport Center (phase 4) Yingbin Avenue, Huadu District, Guangzhou, Guangdong Province, the PRC 綠地空港國際中心項目(4號地塊)	International Airport Center (phase 4) is a mixed-use development being erected upon a parcel of land with site area of 32,381.00 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Office 95,448.40 Commercial 2,914.60 Basement (Carpark 721 lots) 30,042.30 **Total: 128,405.30** The Land is located at the west of Jing-Guang Line, the east of Qingtang Road, the south of Yingbin Avenue, the north of Yayao East Road, Huadu District, Guangzhou. Developments nearby are commercial and residential buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 14 July 2066 for commercial use.	As at the Valuation Date, the Property was under development and scheduled completion in January 2021.	RMB707,000,000 (RENMINBI SEVEN HUNDRED SEVEN MILLION) (70% interest attributable to the Target Group: RMB494,900,000 (RENMINBI FOUR HUNDRED NINETY FOUR MILLION NINE HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2016)08230709, the land use rights of the parcel of land with a site area of 32,381.00 sq m upon which the Property is erected have been vested in 廣州綠港房地產開發有限公司.

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2016)08230709	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	32,381.00

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440114-2016-000002
Grantee:	廣州綠港房地產開發有限公司
Lot No.:	14001020160012
Site Area:	219,105.00 sq m
Land Premium:	RMB2,497,800,000
Land Use Term:	40 years; 50 years
Land Use:	Commercial; Office
Plot Ratio:	3.0
Gross Floor Area:	657,315.00 sq m
Building Covenant:	Commence before 15 July 2016 Complete before 14 July 2066

(3) According to Planning Permit for Construction Use of Land No. 20164, the construction site of land with a site area of 219,105.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to two Planning Permits for Construction Works No. 202023 and 202024, the construction works of the Property with a total gross floor area of 128,405.50 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to two Permits for Commencement of Construction Works No. 440114202005150101 and 440114202004230201, the construction works of the Property with a total gross floor area of 128,405.50 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) As advised by the Target Group, as at the Valuation Date, various carparks, office and commercial units of the Property with a total gross floor area of approximately 106,918.65 sq m have been committed for sale at a total consideration of approximately RMB1,481,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(7) As advised by the Target Group, the construction cost incurred (excluding the land cost) as at the Valuation Date was approximately RMB145,000,000. The estimated outstanding construction cost to complete the development as at the Valuation Date was RMB676,000,000. We have taken into account such costs in the course of our valuation.

(8) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB1,482,000,000.

(9) According to Business Licence No. 91440114MA59CEJ76Q, 廣州綠港房地產開發有限公司 has been established as a limited company with a registered capital of RMB400,000,000.

(10) According to the PRC legal opinion:

(i) 廣州綠港房地產開發有限公司 has obtained the Real Estate Title Certificates for the real estate projects in plot 1 and 4 of International Airport Center, it has obtained the Real Estate Title Certificates of the real estate projects on plot 2, 3, 5, 6 and 7 at some time in the past. By 6 October 2020, the Real Estate Title Certificates of plot 2, 3, 5, 6 and 7have been cancelled; and

(ii) 廣州綠港房地產開發有限公司 is the sole legal owner of the above real estate development project and has obtained the certificates and approvals listed in this legal opinion from the relevant competent government departments for the above real estate development project.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD26c	International Airport Center (phase 2, 3, 5, 6, 7), Yingbin Avenue, Huadu District, Guangzhou, Guangdong Province, the PRC 綠地空港國際中心項目 (2, 3, 5, 6, 7期)	International Airport Center (phase 2, 3, 5, 6, 7) is a commercial development erected upon 5 parcel of land completed in 2019. The Property comprises the unsold and pre-sold portion of Greenland Airport International Center Project as below: **Uses** / **Gross Floor Area** *(sq m)* Office (unsold): 15,723.01 Office (pre-sold): 83,849.36 Commercial (unsold): 1,240.88 Commercial (pre-sold): 5,092.03 Carpark (unsold) (1,984 lots): 26,340.80 Carpark (pre-sold) (1,730 lots): 23,140.35 **Total: 155,386.43** The Land is located at the west of Jing-Guang Line, the east of Qingtang Road, the south of Yingbin Avenue, the north of Yayao East Road, Huadu District, Guangzhou. Developments nearby are commercial and residential buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 14 July 2066 for commercial use.	As at the Valuation Date, the Property was vacant.	RMB1,808,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED EIGHT MILLION) (70% interest attributable to the Target Group: RMB1,265,600,000 (RENMINBI ONE BILLION TWO HUNDRED SIXTY FIVE MILLION SIX HUNDRED THOUSAND))

Notes:

(1) According to five Real Estate Title Certificates, the land use rights of the parcel of land with a site area of 169,591.00 sq m upon which the Property is erected have been vested in 廣州綠港房地產開發有限公司.

No.	Location	Land Use	Land Use Term	Site Area *(sq m)*
(2016)08230710	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	24,984.00
(2016)08230715	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	20,160.00
(2017)08234900	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	33,656.00
(2016)08228089	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	38,147.00
(2017)08234897	Yingbin Avenue, Huadu District, Guangzhou	Commercial	Expire on: 14 July 2066	52,644.00
Total:				**169,591.00**

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440114-2016-000002
Grantee:	廣州綠港房地產開發有限公司
Lot No.:	14001020160012
Site Area:	219,105.00 sq m
Land Premium:	RMB2,497,800,000
Land Use Term:	40 years; 50 years
Land Use:	Commercial; Office
Plot Ratio:	3.0
Gross Floor Area:	657,315.00 sq m
Building Covenant:	Commence before 15 July 2016 Complete before 14 July 2066

(3) According to 11 Certificate of Completion Acceptance, the construction of 綠地空港國際中心項目 with a total gross floor area of approximately 660,219 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units and office units of the property with a total gross floor area of approximately 112,081.74 sq m have been committed for sale at a total consideration of approximately RMB1,365,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440114MA59CEJ76Q, 廣州綠港房地產開發有限公司 has been established as a limited company with a registered capital of RMB400,000,000.

(6) According to the PRC legal opinion:

(i) 廣州綠港房地產開發有限公司 has obtained the Real Estate Title Certificates for the real estate projects in plot 1 and 4 of International Airport Center, it has obtained the Real Estate Title Certificates of the real estate projects on plot 2, 3, 5, 6 and 7 at some time in the past. By 6 October 2020, the Real Estate Title Certificates of plot 2, 3, 5, 6 and 7have been cancelled; and

(ii) 廣州綠港房地產開發有限公司 is the sole legal owner of the above real estate development project and has obtained the certificates and approvals listed in this legal opinion from the relevant competent government departments for the above real estate development project.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD27a	Phase I Shenzhen Guangming Greenland Metropolis No. 381 Guangming Street, Shenzhen City, Guangdong Province, the PRC 深圳光明綠地新都會項目一期	Phase I Shenzhen Guangming Greenland Metropolis is a mixed-use development being erected upon a parcel of land with site area of 17,118.03 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 88,004.98 Retail 6,555.38 Kindergarten 2,400.28 Carpark 25,432.06 Auxiliary Facilities 5,038.40 **Total: 127,431.10** The Property is located at the south of Guangming Street, the west of Rail Line 6 Guangming Street Station (under construction), the North of Galaxy Century Garden (星河世紀花園), and the east of Dongzhou Community Committee (東周社區居委會). Developments nearby are residential buildings and industrial parks. The Property is planned for residential use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term of 70 years due to expire on 9 December 2088 for residential use.	As at the Valuation Date, the Property was under construction and was scheduled to be completed in 2021.	RMB1,264,000,000 (RENMINBI ONE BILLION TWO HUNDRED SIXTY FOUR MILLION) (67% interest attributable to the Target Group: RMB846,880,000 (RENMINBI EIGHT HUNDRED FORTY SIX MILLION EIGHT HUNDRED EIGHTY THOUSAND))

Notes:

(1) According to the Real Property Ownership Certificate No. 20190022371, No. 20190022356, No. 20190022400, the land use rights of the parcel of land with a total site area of 17,118.03 sq m upon which the Property is erected have been vested in 深圳市鈺鑴龍投資有限公司 for a term of 70 years due to expire on 9 December 2088 for residential use.

(2) According to Contract for Grant of State-owned Land Use Rights No. 20187004, 20187005, 20187006:

Grantee:	深圳市鈺鑴龍投資有限公司		
Lot No.:	A513-0129	A513-0130	A513-0131
Site Area:	7,442.29 sq m	5,399.51 sq m	4,276.22 sq m
Land Premium:	RMB8,450,296	RMB3,248,029	RMB3,339,696
Land Use Term:	70 years	70 years	70 years
Land Use:	Residential	Residential	Residential
Plot Ratio:	5.78	6.72	4.58
Gross Floor Area:	43,020 sq m	36,290 sq m	19,580 sq m
Building Covenant:	Commence before 9 December 2019 Complete before 9 December 2022		

(3) According to Planning Permit for Construction Use of Land No. 2017-0032, No. 2017-0033, No. 2017-0031, the construction site of land with a site area of 17,118.02 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to Planning Permit for Construction Works No. 2019-0002, No. 2019-0008, No. 2019-0003, the construction works of the Property with a total gross floor area of 127,054.52 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to Permit for Commencement of Construction Works No. 2016-440300-70-03-07244901, No. 2016-440300-70-03-07244903, No. 2016-440300-70-03-07244902, the construction works of the Property with a total gross floor area of 127,054.52 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to Pre-sale permit Shen Fang Xu Zi (2019) Guangming No. 009, 深圳市鈺鑴龍投資有限公司 is entitled to sell Block 4 and 5 of Shenzhen Guangming Greenland Metropolis (representing a total gross floor area approximately 38,122.73 sq m) to purchasers.

(7) According to the security housing repurchase contract with Shenzhen Guangming Housing and Construction Bureau, the security housing units a total area of 22,600 sq m will be repurchased by the government at a negotiated price of RMB6,579 per sq m (including value-added tax).

(8) As advised by the Target Group, the construction cost incurred (excluding the land cost) as at the Valuation Date was approximately RMB228,000,000. The estimated outstanding construction cost to complete the development as at the Valuation Date was RMB503,000,000. We have taken into account such costs in the course of our valuation.

(9) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB1,808,000,000.

(10) According to Business Licence No. 91440300550317985E dated 24 September 2019, 深圳市鈺鑴龍投資有限公司 has been established as a limited company.

(11) According to the PRC legal opinion:

(i) 深圳市鈺鑴龍投資有限公司 has obtained the qualification as the implementing subject of the urban renewal project (Phase I) in Dongzhou area, Guangming District;

(ii) 深圳市鈺鑴龍投資有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project;

(iii) 深圳市鈺鑴龍投資有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments; and

(iv) According to the "Certificate of Real Estate Registration Seizure" issued by Shenzhen Real Estate Registration Center on 15 October 2020, the parcels of land (Lot No. A513-0131, A513-0130) were seized by Guangdong High People's Court with the seizure document No. (2020) Yue Zhi Bao 65 Zhi Yi, with a set date of 20 April 2020 to 19 April 2023. The execution applied to 深圳市鈺鑴龍投資有限公司 for the land mortgage to Shenzhen Guangming Sub-branch of Bank of China Co., Ltd. (Mortgage No. DY-05D19042232, DY-05D1909021).

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Property Ownership Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes
Business Licence	Yes

VALUATION REPORT

Group V – Properties held pending for Title Certificate by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD27b	Phase II, Shenzhen Guangming Greenland Metropolis No. 381 Guangming Street, Shenzhen City, Guangdong Province, the PRC 深圳光明綠地新都會項目二期土地	As advised by the Group, Phase II, Shenzhen Guangming Greenland Metropolis occupies a parcel of land with a site area of approximately 24,987.10 sq m, which will be renovated into a mixed-use development. The development of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 63,300 Retail 52,110 Office 36,600 Carpark 51,708 Auxiliary Facilities 6,400 **Total: 210,118** The Property is located at the south of Guangming Street, the west of Rail Line 6 Guangming Street Station (under construction), the North of Galaxy Century Garden (星河世紀花園), and the east of Phase I and Dongzhou Community Committee (東周社區居委會). Developments nearby are residential buildings and industrial parks. As at the Valuation Date, the land use rights of the property have not been granted to the Target Group.	As at the Valuation Date, existing properties on the land have not been demolished.	No commercial value

Notes:

(1) We have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we usually ascribe no commercial value to the property. Had valid State-owned Land Use Rights Certificates been issued to the property, all land premium and related fees for the grant of the certificates and costs necessary to render the site ready for immediate development been fully settled, the market value of the property in its existing state as at 30 September 2020 would be RMB2,505,000,000 (RENMINBI TWO BILLION FIVE HUNDRED FIVE MILLION) (67% interest attributable to the Target Group: RMB1,678,350,000 (RENMINBI ONE BILLION SIX HUNDRED SEVENTY EIGHT MILLION THREE HUNDRED FIFTY THOUSAND)).

(2) As advised by the Target Group, the urban renewal project of Dongzhou Area, Guangming District is planned to be implemented in three phases (Phase II and III are later combined into Phase II). As at the Valuation Date, the Target Group has not been approved as the implementing subject of Phase II of the urban renewal project. The Real Estate Title Certificate have not been granted to the Target Group.

(3) As advised by the Target Group, the estimated total construction cost (excluding the land cost) was approximately RMB943,000,000. We have made reference to such costs in the course of our valuation.

(4) The Market Value as if completed of the Property as at the Valuation Date was approximately RMB4,876,000,000.

(5) According to Business Licence No. 91440300550317985E dated 24 September 2019, 深圳市鈺鑴龍投資有限公司 has been established as a limited company.

(6) According to the PRC legal opinion:

(i) 深圳市鈺鑴龍投資有限公司 has **not** obtained the qualification as the implementing subject of the urban renewal project (Phase II) in Dongzhou area, Guangming District; and

(ii) 深圳市鈺鑴龍投資有限公司 has not obtained the related land right.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	No
Real Property Ownership Certificate	No
Contract for Grant of State-owned Land Use Rights	No
Planning Permit for Construction Use of Land	No
Planning Permit for Construction Works	No
Permit for Commencement of Construction Works	No
Pre-sale Permit of Commodity Housing	No
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD28	Huadu Xinlitixiang Mansion Project No. 178 Jianshe North Road, Huadu District, Guangzhou, Guangdong Province, the PRC 花都新裡緹香公館項目	Huadu Xinlitixiang Mansion Project is a mixed-use development erected upon a parcel of land completed in 2016. The Property comprises the unsold portion of Huadu Xinlitixiang Mansion Project as below: **Uses** / **Gross Floor Area** *(sq m)* Residential (pre-sold): 3,375.89 Commercial (pre-sold): 814.44 Carpark (unsold) (501 lots): 6,640.09 Carpark (pre-sold) (93 lots): 1,232.39 **Total: 12,062.81** The Land is located at the west of Jianshe North Road, the east of Yueti Road, Baiyun District, Guangzhou. Developments nearby are commercial and residential buildings. The Property is planned for commercial, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 8 December 2083 for residential use and 8 December 2053 for commercial use.	As at the Valuation Date, the Property was vacant.	RMB142,000,000 (RENMINBI ONE HUNDRED FORTY TWO MILLION) (100% interest attributable to the Target Group: RMB142,000,000 (RENMINBI ONE HUNDRED FORTY TWO MILLION))

Notes:

(1) According to State-owned Land Use Rights Certificate No. 201400722115, the land use rights of the parcel of land with a site area of 27,847.03 sq m upon which the Property is erected have been vested in 廣州綠地花都置業有限公司 due to 8 December 2083 for residential use and 8 December 2053 for commercial use.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440114-2013-000025
Grantee:	廣州綠地房地產開發有限公司
Lot No.:	14001020110067
Site Area:	27,847.00 sq m
Land Premium:	RMB478,000,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.8
Gross Floor Area:	77,971 sq m
Building Covenant:	Commence before 15 March 2015 Complete before 15 March 2018
Supplementary Contract-1:	Grantee change from 廣州綠地房地產開發有限公司 to 廣州綠地花都置業有限公司 Lot No change from Yuncheng West Rd, Baiyun District, Guangzhou to No. 178 Jianshe North Rd, Huadu District, Guangzhou

(3) According to 1 Certificate of Completion Acceptance, the construction of 花都新裡緹香公館項目 with a total gross floor area of approximately 107,499.43 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units and residential units of the property with a total gross floor area of approximately 5,422.72 sq m have been committed for sale at a total consideration of approximately RMB81,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440114080353892Y dated 11 October 2013, 廣州綠地花都置業有限公司 has been established as a limited company with a registered capital of RMB570,000,000.

(6) According to the PRC legal opinion:

(i) 廣州綠地花都置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; by 16 October 2020, the Real Estate Title Certificates have been cancelled, and

(ii) 廣州綠地花都置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD29	Greenland Smart Plaza No. 112 Kexue Avenue, Huangpu District, Guangzhou, Guangdong Province, the PRC 綠地智慧廣場	Greenland Smart Plaza Project is a mixed-use development erected upon a parcel of land completed in 2019. The Property comprises the unsold portion of Greenland Smart Plaza as below: **Uses** — **Gross Floor Area** *(sq m)* Commercial (pre-sold) — 28,537.82 Office (pre-sold) — 5,924.17 Carpark (pre-sold) (471 Lots) — 6,436.71 Office (unsold) — 211.99 Carpark (unsold) (297 Lots) — 3,957.27 **Total: — 45,067.96** The Land is located at the south of Kexue Avenue and the west of Shenzhou Road, Huangpu District, Guangzhou. Developments nearby are commercial and office buildings. The Property is planned for commercial, office, apartment and carpark use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term of 70 years for residential use, a term of 40 years for commercial use and a term of 50 years for other use.	As at the Valuation Date, the Property was vacant.	RMB823,000,000 (RENMINBI EIGHT HUNDRED TWENTY THREE MILLION) (70% interest attributable to the Target Group: RMB576,100,000 (RENMINBI FIVE HUNDRED SEVENTY SIX MILLION ONE HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate dated 6 January 2014, the land use rights the land with a total site area of 101,188 sq m upon which the Property is erected have been vested in 廣州傑瑞置業有限公司:

Certificate No.	Location	Land Use	Land Use Term Expiry	Site Area *(sq m)*
(2014)05000003	South of Kexue Avenue and west of Shenzhou Road, Huangpu District	Commercial	7 July 2053	101,188

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440116-2013-000037
Grantee:	廣州傑瑞置業有限公司
Lot No.:	KXC-B-1
Site Area:	101,188.00 sq m
Land Premium:	RMB1,376,160,000
Land Use Term:	70 years for residential use, 40 years for commercial use and 50 years for other use.
Land Use:	Commercial and other use
Plot Ratio:	4
Gross Floor Area:	404,752 sq m
Building Covenant:	Commence before 8 October 2013 Complete before 8 July 2015

(3) According to 24 Reports of Completion Acceptance, the construction of 綠地智慧廣場 with a total gross floor area of approximately 575,745 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, office units, carparks, commercial units and apartment units of the property with a total gross floor area of approximately 40,898.70 sq m have been committed for sale at a total consideration of approximately RMB756,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440116065842882K dated 25 April 2013, 廣州傑瑞置業有限公司 has been established as a limited company with a registered capital of RMB1,023,380,000.

(6) According to the PRC legal opinion:

(i) 廣州傑瑞置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; by 16 October 2020, the Real Estate Title Certificates have been cancelled, and

(ii) 廣州傑瑞置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Reports of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD30	Pearl Mansion Xishan Village, Zengjiang Street, Zengcheng District, Guangzhou, Guangdong Province, the PRC 增城瓏玥府項目	Pearl Mansion is a residential development erected upon a parcel of land completed in 2019. The Property comprises the unsold portion of Pearl Mansion as below: **Uses** / **Gross Floor Area** *(sq m)* Residential (unsold) 76,269.20 Residential (pre-sold) 50,849.36 Carpark (unsold) (1,941 lots) 26,565.00 **Total: 153,683.56** The Land is located at the west of Jing Second Road, the east of Zengjiang South Road, the south of Wei Fifth Road, the north of Wei Fourth Road, Baiyun District, Guangzhou. Developments nearby are commercial and residential buildings. The Property is planned for residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 17 November 2086 for residential use.	As at the Valuation Date, the Property was vacant.	RMB2,739,000,000 (RENMINBI TWO BILLION SEVEN HUNDRED THIRTY NINE MILLION) (100% interest attributable to the Target Group: RMB2,739,000,000 (RENMINBI TWO BILLION SEVEN HUNDRED THIRTY NINE MILLION))

Notes:

(1) According to Real Estate Title Certificate No. 201710206194, the land use rights of the parcel of land with a site area of 56,672.63 sq m upon which the Property is erected have been vested in 廣州市增軒房地產開發有限公司 due to 17 November 2086 for residential use.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440183-2016-000029
Grantee:	廣州市南瑞置業有限公司
Lot No.:	83002225A16032
Site Area:	56,672.63 sq m
Land Premium:	RMB1,685,000,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	2.5
Gross Floor Area:	133,657.5 sq m
Building Covenant:	Commence before 18 March 2018 Complete before 18 March 2020
Supplementary Contract-1:	Grantee change from廣州市南瑞置業有限公司 to 廣州市增軒房地產開發有限公司

(3) According to 1 Certificate of Completion Acceptance, the construction of 增城瓏玥府項目 with a total gross floor area of approximately 207,533 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, residential units of the property with a total gross floor area of approximately 50,849.36 sq m have been committed for sale at a total consideration of approximately RMB1,024,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440101MA59GC5E09 dated 25 November 2016, 廣州市增軒房地產開發有限公司 has been established as a limited company with a registered capital of RMB1,760,930,000.

(6) According to the PRC legal opinion:

(i) 廣州市增軒房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州市增軒房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD31abc	Guangzhou Greenland City Zhongxin Project (Yunchuang Yuan, Yichuang Square, Boyu Wan) West side and east side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province, the PRC 廣州綠地城中新項目 (雲創園, 億創廣場, 泊語灣項目)	Guangzhou Greenland City Zhongxin Project (Yunchuang Yuan, Yichuang Square, Boyu Wan) is a mixed-use development erected upon three parcels of land completed in 2018. The Property comprises the unsold portion of Guangzhou Greenland City Zhongxin Project as below: **Uses** — **Gross Floor Area** *(sq m)* Commercial (unsold): 570.19 Commercial (pre-sold): 4,701.22 Residential (unsold): 285.47 Residential (pre-sold): 377.67 Office (unsold): 124.52 Office (pre-sold): 27,760.31 Carpark (unsold) (898 lots): 11,570.34 Carpark (pre-sold) (3,093 lots): 46,315.43 **Total: 91,705.15** The Property is located at West side and east side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City. Developments nearby are residential and commercial buildings. The Property is planned for commercial, office, residential and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for a term due to expire on 19 January 2051 and 28 December 2050 for commercial use and 28 December 2080 for residential use.	As at the Valuation Date, the Property was vacant.	RMB939,000,000 (RENMINBI NINE HUNDRED THIRTY NINE MILLION) (60% interest attributable to the Target Group: RMB563,400,000 RENMINBI FIVE HUNDRED SIXTY THREE MILLION FOUR HUNDRED THOUSAND))

Notes:

(1) According to three Real Estate Title Certificate dated 23 May 2014, the land use rights of three parcels of land with a total site area of 195,424.00 sq m upon which the Property is erected have been vested in 廣州市滿庭芳房地產開發有限公司:

Certificate No.	Location	Land Use	Land Use Term Expiry	Site Area *(sq m)*
(2014)05000054	Lot No. ZSCN-A6, East side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City	Commercial	19 January 2051	59,371.00
(2014)05000055	Lot No. ZSCN-B8, West side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City	Commercial	28 December 2050	69,264.00
(2014)05000056	Lot No. ZSCN-B9, West side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City	Residential	28 December 2080	66,789.00
Total:				**195,424.00**

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440116-2011-00003
Grantee:	廣州知識城投資開發有限公司
Lot No.:	ZSCN-A6
Site Area:	66,066.00 sq m
Land Premium:	RMB68,380,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	3
Gross Floor Area:	198,198.00 sq m
Building Covenant:	Commence before 20 January 2013 Complete before 20 January 2017
Remark:	According to the approval document No.【2014】634, issued by 廣州開發區規劃和國土資源管理局 on 9 May 2014, 廣州知識城投資開發有限公司 agreed to invest the land use right of the lot No. ZSCN-A6 into 廣州市滿庭芳房地產開發有限公司.

Contract No.:	440116-2010-000044
Grantee:	廣州知識城投資開發有限公司
Lot No.:	ZSCN-B8
Site Area:	62,569.00 sq m
Land Premium:	RMB64,760,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	3
Gross Floor Area:	187,707.00 sq m
Building Covenant:	Commence before 29 December 2012 Complete before 29 December 2016
Remark:	According to the approval document No.【2014】632, issued by 廣州開發區規劃和國土資源管理局 on 9 May 2014, 廣州知識城投資開發有限公司 agreed to invest the land use right of the lot No. ZSCN-B8 into 廣州市滿庭芳房地產開發有限公司.

Contract No.:	440116-2010-000045
Grantee:	廣州知識城投資開發有限公司
Lot No.:	ZSCN-B9
Site Area:	66,789.00 sq m
Land Premium:	RMB68,820,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	3.2
Gross Floor Area:	213,724.80 sq m
Building Covenant:	Commence before 29 December 2012 Complete before 29 December 2016
Remark:	According to the approval document No.【2014】633, issued by 廣州開發區規劃和國土資源管理局 on 9 May 2014, 廣州知識城投資開發有限公司 agreed to invest the land use right of the lot No. ZSCN-B9 into 廣州市滿庭芳房地產開發有限公司.

(3) According to five Completion acceptance filing form and six Construction Work completion and inspection reports, the construction of 廣州綠地城中新項目(雲創園, 億創廣場, 泊語灣項目) with a total gross floor area of approximately 818,760.60 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units, office units and residential units of the property with a total gross floor area of approximately 79,154.63 sq m have been committed for sale at a total consideration of approximately RMB813,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440101094100853C dated 10 January 2019, 廣州市滿庭芳房地產開發有限公司 has been established as a limited company with a registered capital of RMB682,332,442.

(6) According to the PRC legal opinion:

(i) 廣州市滿庭芳房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州市滿庭芳房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Completion acceptance filing form/Construction Work completion and inspection reports	Yes
Business Licence	Yes

VALUATION REPORT

Group I, II – Properties held for sale and development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD31d	Guangzhou Greenland City Zhongxin Project (Lvdi Fengyuwan) North side of No. KS3-1 Road, East side of No. KS4-1 Road, and West side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province, the PRC 廣州綠地城中新項目 (綠地鳳語灣項目)	Guangzhou Greenland City Zhongxin Project (Lvdi Fengyuwan) is a mixed-use development being erected upon one parcel of land with site area of 62,309.00 sq m. The Group I of the Property comprises the unsold portion as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 11,655.31 Commercial 4,490.01 Carpark (2,018 lots) 27,780.05 **Total: 43,925.37** The development potential of Group II of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial 1,724.00 **Total: 1,724.00** The Property is located at North side of No. KS3-1 Road, the East of Fenghu Garden (風湖花園). Developments nearby are residential and commercial buildings. The land use rights of the Property have been granted for a term of 70 years due to expire on 9 September 2082 for residential use.	As at the Valuation Date, Group I of the property was vacant. Group II of the Property was under construction and was scheduled to be completed in 2020.	RMB585,000,000 (RENMINBI FIVE HUNDRED EIGHTY FIVE MILLION) (60% interest attributable to the Target Group: RMB351,000,000 (RENMINBI THREE HUNDRED FIFTY ONE MILLION))

Notes:

(1) According to the information provided by the Target Group, the Property comprises below:

Group	Planned Use	Gross Floor Area (sq m)	Market Value in existing state as at 30 September 2020
I – Held for Sale	Residential	11,655.31	RMB558,000,000
	Commercial	4,490.01	
	Carpark (2,081 lots)	27,780.05	
		Total: 43,925.37	
II – Held under Development	Commercial	1,724.00	
		Total: 1,724.00	RMB27,000,000
		Grand Total:	**RMB585,000,000**

Group I – According to the information provided by the Target Group, as at the Valuation Date, various carparks, commercial and residentials units of the property with a total gross floor area of approximately 20,600.19 sq m have been committed for sale at a total consideration of approximately RMB366,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Group II – According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB7,500,000; a construction cost of approximately RMB5,900,000 has been expended for the development of the Property as at Valuation Date. In the course of our valuation, we have taken into account the above expended construction cost.

The Market Value as if completed of the Property as at the Valuation Date was approximately RMB30,000,000.

(2) According to the Real Estate Title Certificate No. (2014) 05000057 dated 23 May 2014, the land use rights of the parcel of land with a total site area of 62,309.00 sq m upon which the Property is erected have been vested in 廣州市翡冷翠房地產開發有限公司 for a term of 70 years due to expire on 9 September 2082 for residential use.

(3) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440116-2012-000030
Grantee:	廣州知識城投資開發有限公司
Lot No.:	ZSCN-B7
Site Area:	62,309.00 sq m
Land Premium:	RMB95,710,000
Land Use Term:	70 years
Land Use:	Residential
Plot Ratio:	3.2
Gross Floor Area:	199,388.80 sq m
Building Covenant:	Commence before 10 September 2014 Complete before 10 September 2018
Remark:	According to the approval document No.【2014】631, issued by 廣州開發區規劃和國土資源管理局 on 9 May 2014, 廣州知識城投資開發有限公司 agreed to invest the land use right of the lot No. ZSCN-B7 into廣州市翡冷翠房地產開發有限公司.

(4) According to the Planning Permit for Construction Use of Land No. (2016)15 dated 2 December 2016, the construction site of land with a site area of 62,309.00 sq m is in compliance with the urban planning requirements and has been approved.

(5) According to eleven Planning Permits for Construction Works No. (2017)41, (2017)42, (2017)36, (2017)37, (2017)38, (2017)39, (2017)40, (2017)54, (2017)53, (2017)35, and (2017)34, the construction works of the Property with a total gross floor area of 275,269.90 sq m are in compliance with the requirement of urban planning and have been permitted.

(6) According to three Permits for Commencement of Construction Works No. 440116201709080101, 440116201708040101, 440112201801190201, and one Reply letter about reapplying construction permit No. (2019)815, the construction works of the Property with a total gross floor area of 275,269.90 sq m are in compliance with the requirement of work commencement and have been permitted.

(7) According to eight Pre-sale Permits of Commodity Housing No. 20170788, 20180326, 20170786, 20170868, 20170996, 20170989, 20170988, and 20180297, the development has a total of 1,790 residential and commercial units with a total gross floor area of approximately 189,616.20 sq m permitted for pre-sale.

(8) According to 4 Certificates of Completion Acceptance in favour of 廣州市翡冷翠房地產開發有限公司, the construction of the Project with a gross floor area of approximately 273,545.90 sq m has been completed and passed the inspection acceptance.

(9) According to Business Licence No. 91440101094100722G dated 10 January 2019, 廣州市翡冷翠房地產開發有限公司 has been established as a limited company with a registered capital of RMB444,835,665.

(10) According to the PRC legal opinion:

(i) 廣州市翡冷翠房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州市翡冷翠房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes (part)
Certificate of Completion Acceptance	Yes (part)
Business Licence	Yes

VALUATION REPORT

Group II – Property held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD31e	Guangzhou Greenland City Zhongxin Project (Lingchuang Yuan) South side of No. KS2 Road, East side of No. KS4-1 Road, and West side of Jiulong Avenue, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province, the PRC 廣州綠地城中新項目 (領創園項目)	Guangzhou Greenland City Zhongxin Project (Lingchuang Yuan) is a mixed-use development being erected upon one parcel of land with site area of 49,969.00 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Group II Commercial 4,233.58 Hotel 37,942.60 Office 114,434.19 Basement (Carpark 1,153 lots) 45,410.10 **Total: 202,020.47** The Property is located at South side of No. KS2 Road, East side of Longhu Shuanglong Yuanzhu (龍湖雙瓏原著). Developments nearby are residential and commercial buildings. The land use rights of the Property have been granted for a term of 40 years due to expire on 9 September 2052 for commercial use.	As at the Valuation Date, the Property was under construction and was scheduled to be completed in 2020.	RMB1,087,000,000 (RENMINBI ONE BILLION EIGHTY SEVEN MILLION) (60% interest attributable to the Target Group: RMB652,200,000 (RENMINBI SIX HUNDRED FIFTY TWO MILLION TWO HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2014) 05000058 dated 23 May 2014, the land use rights of the parcel of land with a total site area of 49,969.00 sq m upon which the Property is erected have been vested in 廣州市翡冷翠房地產開發有限公司 for a term of 40 years due to expire on 9 September 2052 for commercial use.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440116-2012-000029
Grantee:	廣州知識城投資開發有限公司
Lot No.:	ZSCN-B6
Site Area:	49,969.00 sq m
Land Premium:	RMB41,830,000
Land Use Term:	40 years
Land Use:	Commercial
Plot Ratio:	3
Gross Floor Area:	149,907.00 sq m
Building Covenant:	Commence before 10 September 2014 Complete before 10 September 2018
Remark:	According to the approval document No.【2014】630, issued by 廣州開發區規劃和國土資源管理局 on 9 May 2014, 廣州知識城投資開發有限公司 agreed to invest the land use right of the lot No. ZSCN-B6 into 廣州市翡冷翠房地產開發有限公司.

(3) According to the Planning Permit for Construction Use of Land No. (2018)1 dated 8 January 2018, the construction site of land with a site area of 49,969.00 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to eight Planning Permits for Construction Works No. (2018)42, (2018)41, (2018)40, (2018)39, (2018)38, (2018)45, (2018)48, and (2018)43, the construction works of the Property with a total gross floor area of 201,334.80 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to four Permits for Commencement of Construction Works No. 440112201811080101, 440112201809050101, 440112201808210101, and 440112201808290101, the construction works of the Property with a total gross floor area of 201,334.80 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to seven Pre-sale Permits of Commodity Housing No. 20181153, 20181113, 20181157-1, 20181111, 20181155, 20181112, and 20181119, the development has a total of 1,085 commercial and office units with a total gross floor area of approximately 110,941.34 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential, and office units of the Property with a total gross floor area of approximately 166,888.44 sq. m have been committed for sale at a total consideration of approximately RMB1,627,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB907,000,000; a construction cost of approximately RMB535,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,627,000,000.

(10) According to Business Licence No. 91440101094100722G dated 10 January 2019, 廣州市翡冷翠房地產開發有限公司 has been established as a limited company with a registered capital of RMB444,835,665.

(11) According to the PRC legal opinion:

(i) 廣州市翡冷翠房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 廣州市翡冷翠房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit of Commodity Housing	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD32	Haiyue Garden Lot No. AH050107, Guangzhi North 1st Road, Haizhu District, Guangzhou, Guangdong Province, the PRC 廣紙海玥花園項目	Haiyue Garden is a residential and commercial development erected upon a parcel of land with a total site area of 22,246 sq m. The Property comprises the unsold portion of Haiyue Garden as below: **Uses** / **Gross Floor Area** *(sq m)* Residential units (pre-sold): 4,781.61 Commercial (pre-sold): 5,030.63 Commercial (unsold): 1,635.05 Apartment (pre-sold): 926.03 Apartment (unsold): 548.17 Carpark (pre-sold) (313 lots): 4,491.12 Carpark (unsold) (987 lots): 13,639.89 **Total: 31,052.50** The Property is located at the west of Nanshi Road, east of Nanbian Road. The adjacent area is a new development zone with residential community. The land use rights of the Property have been granted for a term of 70 years for residential use and 40 years for commercial use due to expire on 2 September 2085 and 2 September 2055 respectively.	As at the Valuation Date, Group I of the property was vacant.	RMB856,000,000 (RENMINBI EIGHT HUNDRED FIFTY SIX MILLION) (50% interest attributable to the Target Group: RMB428,000,000 (RENMINBI FOUR HUNDRED TWENTY EIGHT MILLION))

Notes:

(1) According to Real Estate Title Certificate No. 00254652, the land use rights of the parcel of land with a site area of 22,246 sq m upon which the Property is erected have been vested in 廣州市暉邦置業有限公司 for a term of 70 years for residential use and 40 years for commercial use.

(2) According to Grant Contract of State-owned Land Use Rights:

Contract No.	440105-2015-000002
Grantee:	廣州市暉邦置業有限公司
Lot No.:	05011020150003
Site Area:	22,246 sq m
Land Premium:	RMB2,747,470,531
Land Use Term:	70 years for residential use and 40 years for commercial use
Land Use:	Residential and Commercial
Plot Ratio:	7.4
Gross Floor Area:	164,620.4 sq m
Building Covenant:	Commence before 26 June 2017 Completed before 26 June 2020

(3) According to 4 Construction Acceptance Certificates, the construction of Haiyue Garden with a total gross floor area of approximately 234,171.83 sq m. has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, residential units and commercial units of the property with a total gross floor area of approximately 15,229.40 sq m have been committed for sale at a total consideration of approximately RMB495,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 9144010508036791XK dated 21 October 2013, 廣州市暉邦置業有限公司 has been established as a limited company with a registered capital of RMB1,633,000,000.

(6) According to the PRC legal opinion:

(i) 廣州市暉邦置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; by 16 October 2020, the Real Estate Title Certificates have been cancelled, and

(ii) 廣州市暉邦置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Certificate of Completion Acceptance	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD33	Greenland Times Yunduhui Project No. 123 Huangyuan Road, Baiyun District, Guangzhou, Guangdong Province, the PRC 綠地時代雲都匯	Greenland Times Yunduhui Project is a mixed-use development erected upon a parcel of land completed in 2015. The Property comprises the unsold portion of Greenland Times Yunduhui Project as below: **Uses** — **Gross Floor Area** *(sq m)* Commercial (pre-sold) — 2,908.99 Office (pre-sold) — 52.21 Office (unsold) — 77.80 Carpark (pre-sold) (20 lots) — 217.03 **Total:** — **3,256.03** The Property is located at the North of Huangyuan Road, the East of Jiangjing Road, Baiyun District Guangzhou City. Developments nearby are commercial and residential buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for terms of 40 years for commercial use and 50 years for other use due to expire on 1 August 2053 use and 1 August 2063.	As at the Valuation Date, the Property was vacant.	RMB109,000,000 (RENMINBI ONE HUNDRED NINE MILLION) (50% interest attributable to the Target Group: RMB54,500,000 (RENMINBI FIFTY FOUR MILLION FIVE HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2013)06110044, the land use rights of the parcel of land with a site area of 17,480.00 sq m upon which the Property is erected have been vested in 廣州綠地白雲置業有限公司 for terms of 40 years for commercial use and 50 years for other use due to expire on 1 August 2053 use and 1 August 2063.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440111-2013-000013
Grantee:	廣州綠地房地產開發有限公司
Lot No.:	11106020110004
Site Area:	17,480.00 sq m
Land Premium:	RMB445,740,000
Land Use Term:	Commercial: 40 years Others: 50 years
Land Use:	Science and Education, Wholesale and Retail, Accommodation and Catering, Commercial and Finance, Other Commercial
Plot Ratio:	3.4
Gross Floor Area:	59,432.00 sq m
Building Covenant:	Commence before 18 December 2014 Complete before 18 December 2017
Supplementary Contract:	1) Grantee change from 廣州綠地房地產開發有限公司 to 廣州綠地白雲置業有限公司 2) Land premium adjusted to RMB452,205,319

(3) According to the Completion acceptance filing form No. 2015-034 dated 28 September 2015, the construction of 綠地時代雲都匯 with a total gross floor area of approximately 75,066.00 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units and residential units of the Property with a total gross floor area of approximately 3,178.22 sq m have been committed for sale at a total consideration of approximately RMB108,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 91440111072129348X dated 25 May 2016 廣州綠地白雲置業有限公司 has been established as a limited company with a registered capital of RMB350,000,000.

(6) According to the PRC legal opinion:

(i) 廣州綠地白雲置業有限公司 has obtained the Real Estate Title Certificate. As of 16 October 2020, the property right of land at No. 123 Huangyuan Road, Baiyun District, Guangzhou has been changed, and the above-mentioned state-owned land use right certificate has been recovered and cancelled;

(ii) 廣州綠地白雲置業有限公司 is the sole legal owner of the real estate development project; and

(iii) 廣州綠地白雲置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Completion acceptance filing form	Yes
Business Licence	Yes

VALUATION REPORT

Group I – Properties held for sale by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD34	Poly Greenland Metropolis Project No. 35 Jinlong Road, Jinzhou Community, Nansha Street, Nansha District, Guangzhou, Guangdong Province, the PRC 保利綠地大都匯 (別名: 保利越鴻都會廣場)	Poly Greenland Metropolis Project is a mixed-use development erected upon a parcel of land completed in 2016. The Property comprises the unsold portion of Poly Greenland Metropolis Project as below: **Uses** / **Gross Floor Area** *(sq m)* Commercial (pre-sold): 1,488.38 Office (pre-sold): 398.95 Carpark (unsold) (592 lots): 20,013.93 **Total: 21,901.26** The Property is located at the northwest corner of the junction of Jinlong Road and Shanglongling Road. Developments nearby are commercial and residential buildings. The Property is planned for commercial, office and carpark uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property. The land use rights of the Property have been granted for terms of 70 years for residential use, 40 years for commercial use, and 50 years for other use, commence on 18 November 2013.	As at the Valuation Date, the Property was vacant.	RMB99,000,000 (RENMINBI NINETY NINE MILLION) (50% interest attributable to the Target Group: RMB49,500,000 RENMINBI FORTY NINE MILLION FIVE HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2013)04100085, the land use rights of the parcel of land with a site area of 16,666.00 sq m upon which the Property is erected have been vested in 廣州越鴻房地產開發有限公司 for terms of 70 years for residential use, 40 years for commercial use, and 50 years for other use, commence on 18 November 2013.

As advised by the Target Group, the Property is part of the land.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.	440115-2013-000024
Grantee:	廣東保利房地產開發有限公司
Lot No.:	2013NJY-7
Site Area:	16,666.00 sq m
Land Premium:	RMB224,000,000
Land Use Term:	Residential: 70 years Commercial: 40 years Others: 50 years
Land Use:	Commercial
Plot Ratio:	4
Gross Floor Area:	66,664.00 sq m
Building Covenant:	Commence before 29 December 2014 Complete before 28 December 2017
Supplementary Contract:	Grantee change from 廣東保利房地產開發有限公司 to 廣州越鴻房地產開發有限公司

(3) According to three Completion acceptance filing forms No. 2016-024, 2016-048 and 2016-049, dated 30 June 2016 and 20 December 2016, the construction of 保利綠地大都匯 with a total gross floor area of approximately 91,430.62 sq m has been completed and passed the inspection acceptance.

(4) As advised by the Target Group, as at the Valuation Date, carparks, commercial units and residential units of the Property with a total gross floor area of approximately 1,887.33 sq m have been committed for sale at a total consideration of approximately RMB27,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(5) According to Business Licence No. 914401010803812954 dated 28 December 2016, 廣州越鴻房地產開發有限公司 has been established as a limited company with a registered capital of RMB200,000,000.

(6) According to the PRC legal opinion:

(i) 廣州越鴻房地產開發有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; by 29 October 2020, the Real Estate Title Certificates have been cancelled; and

(ii) 廣州越鴻房地產開發有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Completion acceptance filing form	Yes
Business Licence	Yes

VALUATION REPORT

Group II – Properties held under development by the Target Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2020
GD35	Greenland Xijiang Square East of Suhe Road, North of Binhu Road, Xijiang New City, Hecheng Street, Gaoming District, Foshan, Guangdong Province, the PRC 綠地熙江廣場	Greenland Xijiang Square is a mix-use development being erected upon one parcel of land with site area of 51,336.20 sq m. The development potential of the Property is planned as below: **Uses** / **Gross Floor Area** *(sq m)* Residential 87,772.09 Commercial 23,661.55 Office 73,764.97 Apartment 30,381.96 Basement (Carpark 1,629 lots) 59,553.00 **Total: 275,133.57** The Property is located at East of Suhe Road, North of Binhu Road, Xijiang New City. Developments nearby are residential and commercial buildings. The land use rights of the Property have been granted for terms of 40 years for commercial use and 70 years for residential use due to expire on 1 August 2059 and 1 August 2089 respectively.	As at the Valuation Date, the Property was under construction and scheduled to be completed in 2022.	RMB629,000,000 (RENMINBI SIX HUNDRED TWENTY NINE MILLION) (70% interest attributable to the Target Group: RMB440,300,000 (RENMINBI FOUR HUNDRED FORTY MILLION THREE HUNDRED THOUSAND))

Notes:

(1) According to the Real Estate Title Certificate No. (2019)0038964 dated 16 October 2019, the land use rights of the parcel of land with a total site area of 51,366.20 sq m upon which the Property is erected have been vested in 佛山市高明綠瑞置業有限公司 for terms of 40 years for commercial use and 70 years for residential use due to expire on 1 August 2059 and 1 August 2089 respectively.

(2) According to the Contract for Grant of State-owned Land Use Rights:

Contract No.:	440608-2019-000153
Grantee:	佛山市麗雅翠湖尚築房地產開發有限公司
Lot No.:	44060800401016
Site Area:	51,366.20 sq m
Land Premium:	RMB398,321,000
Land Use Term:	70 years/40 years
Land Use:	Residential/Commercial
Plot Ratio:	4.01
Gross Floor Area:	205,858.16 sq m
Building Covenant:	Commence before 9 August 2020 Complete before 9 August 2023
Supplementary Contract:	Grantee change from 佛山市麗雅翠湖尚築房地產開發有限公司 to 佛山市高明綠瑞置業有限公司

(3) According to the Planning Permit for Construction Use of Land No. 440608201900073 dated 23 August 2019, the construction site of land with a site area of 51,336.20 sq m is in compliance with the urban planning requirements and has been approved.

(4) According to fifteen Planning Permits for Construction Works No. 440608202000072, 440608202000073, 440608202000074, 440608201900641, 440608202000185, 440608202000186, 440608202000187, 440608201900629, 440608202000188, 440608202000180, 440608202000075, 440608202000181, 440608202000182, 440608202000183, and 440608202000184, the construction works of the Property with a total gross floor area of 276,355.03 sq m are in compliance with the requirement of urban planning and have been permitted.

(5) According to five Permits for Commencement of Construction Works No. 440608201910290101-2, 440608201911070101, 440608201912200101, 440608201912200201 and 440608202004020101, the construction works of the Property with a total gross floor area of 128,670.06 sq m are in compliance with the requirement of work commencement and have been permitted.

(6) According to three Pre-sale Permits of Commodity Housing No. 2020001604, 2020001704 and 2020006304, the development has a total of 468 residential units and 32 commercial units with a total gross floor area of approximately 52,648.03 sq m permitted for pre-sale.

(7) As advised by the Target Group, as at the Valuation Date, various residential, and office units of the Property with a total gross floor area of approximately 98,231.31 sq. m have been committed for sale at a total consideration of approximately RMB905,000,000 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

(8) According to the information provided by the Target Group, the estimated total construction cost to complete the development is approximately RMB1,201,000,000; a construction cost of approximately RMB218,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

(9) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB2,111,000,000.

(10) According to Business Licence No. 91440608MA53H40U8G dated 17 July 2019, 佛山市高明綠瑞置業有限公司 has been established as a limited company with a registered capital of RMB10,000,000.

(11) According to the PRC legal opinion:

(i) 佛山市高明綠瑞置業有限公司 has obtained the Real Estate Title Certificate and is the sole legal owner of the real estate development project; and

(ii) 佛山市高明綠瑞置業有限公司 has obtained the certificates and approvals regarding the real estate development project from the relevant competent governments.

(12) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Group and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes (part)
Pre-sale Permit of Commodity Housing	Yes (part)
Business Licence	Yes

(1) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

(2) DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept by the Company or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company were as follows:

Aggregate long positions in the Shares:

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in the Company's issued share capital *(Note 7)*
Mr. Wang Weixian	Interest of controlled corporation *(Note 1)*	38,804,571	1.39%
	Founder of discretionary trust *(Note 2)*	367,254,133	13.15%
Ms. Wang Xuling	Beneficial owner *(Note 3)*	7,390,000	0.26%
	Interest of controlled corporation *(Note 4)*	7,010,448	0.25%
	Beneficiary of discretionary trust *(Note 2)*	367,254,133	13.15%
Mr. Fong Wo, Felix, JP	Beneficial owner	500,000	0.02%
Mr. Kwan Kai Cheong	Beneficial owner	500,000	0.02%
Mr. Chen Jun	Beneficial owner *(Note 5)*	3,500,000	0.13%
Mr. Hou Guangjun	Beneficial owner *(Note 6)*	2,700,000	0.10%

Notes:

(1) Mr. Wang Weixian was deemed to be interested in 38,804,571 Shares, which were held by Prestige Glory Enterprises Limited. The entire issued share capital of Prestige Glory Enterprises Limited was beneficially owned by Mr. WANG Weixian.

(2) Each of Mr. Wang Weixian and Ms. Wang Xuling was deemed to be interested in 367,254,133 Shares, which were held by The Duanyuan Trust (of which Mr. WANG Weixian was the founder and his family members were discretionary objects).

(3) Ms. Wang Xuling beneficially owned 7,390,000 Shares, 3,390,000 Shares of which were deemed to be interested by her under the subscription agreement between her and the Company dated 23 January 2018 under the SFO.

(4) Ms. Wang Xuling was deemed to be interested in 7,010,448 Shares, which were held by Boom Rich Investments Limited. The entire issued share capital of Boom Rich Investments Limited was beneficially owned by Ms. WANG Xuling.

(5) Mr. Chen Jun was deemed to be interested in 3,500,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.

(6) Mr. Hou Guangjun was deemed to be interested in 2,700,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.

(7) Representing the issued share capital of the Company as at the Latest Practicable Date comprising 2,791,884,683 Shares.

Aggregate long positions in the debentures:

Name of Director	Capacity/ Nature of Interest	Currency of Debentures	Denomination or Unit Size of the Debentures	Amount of Debentures
Mr. Wang Weixian	Interest of controlled corporation *(Note 1)*	USD	200,000	11,950,000

Note:

(1) Mr. Wang Weixian was deemed to be interested in debentures of the Company in an aggregate principal amount of US$11,950,000 which were held by Capital Vission Assets Limited. The entire issued share capital of Capital Vission Assets Limited was beneficially owned by Mr. Wang Weixian. The said aggregate amount comprised (i) 6% bonds due 17 July 2021 in the aggregate principal amount of US$6 million, and (ii) 5.625% perpetual securities in the aggregate principal amount of US$5.95 million.

Save as disclosed above and except for Mr. Chen Jun and Mr. Wu Zhengkui (being senior management of Greenland Holdings), as at Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(3) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (each not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Aggregate long positions in the Shares:

Name of shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in the Company's issued share capital *(Note 5)*
Gluon Xima International Limited	Beneficial owner *(Note 1)*	1,650,244,409	59.11%
Hong Kong Vee Eight Limited	Interest of controlled corporation *(Note 1)*	1,650,244,409	59.11%
Greenland Holding Group Company Limited	Interest of controlled corporation *(Note 1)*	1,650,244,409	59.11%
Greenland Holdings	Interest of controlled corporation *(Note 1)*	1,650,244,409	59.11%
SPG Investment Holdings Ltd.	Beneficial owner *(Note 2)*	256,741,641	9.20%
SPG Asset Management Ltd.	Interest of controlled corporation *(Note 2)*	256,741,641	9.20%
Brilliant Bright Investment Limited	Beneficial owner *(Note 3)*	110,512,492	3.96%
	Interest of controlled corporation *(Note 2)*	256,741,641	9.20%
Reach Top Holding Limited	Interest of controlled corporation *(Notes 2 and 3)*	367,254,133	13.15%
HSBC International Trustee Limited	Trustee *(Note 4)*	367,254,133	13.15%

Notes:

(1) 1,650,244,409 Shares were held by Gluon Xima International Limited which was a wholly-owned subsidiary of Hong Kong Vee Eight Limited. The entire issued share capital of Hong Kong Vee Eight Limited was held by Greenland Holding Group Company Limited. The entire issued share capital of Greenland Holding Group Company Limited was held by Greenland Holdings. Each of Hong Kong Vee Eight Limited, Greenland Holding Group Company Limited and Greenland Holdings was deemed to be interested in the said 1,650,244,409 Shares under the SFO.

(2) 256,741,641 Shares were held by SPG Investment Holdings Ltd., which was a wholly-owned subsidiary of SPG Asset Management Ltd. ("**SPG Asset**"). The entire issued share capital of SPG Asset was held by Brilliant Bright Investment Limited ("**Brilliant Bright**"). The entire issued share capital of Brilliant Bright was held by Reach Top Holding Limited ("**Reach Top**"). Each of SPG Asset, Brilliant Bright and Reach Top was deemed to be interested in the said 256,741,641 Shares under the SFO.

(3) 110,512,492 Shares were beneficially held by Brilliant Bright, which was a wholly-owned subsidiary of Reach Top. Reach Top was deemed to be interested in the said 110,512,492 Shares under the SFO.

(4) The entire issued share capital of Reach Top was held by HSBC International Trustee Limited, which was the trustee of a trust, namely The Duanyuan Trust, of which Mr. Wang Weixian was the founder and his family members (including Ms. WANG Xuling) were discretionary objects in respect of 367,254,133 Shares indirectly interested by Reach Top under the SFO.

(5) Representing the issued share capital of the Company as at the Latest Practicable Date comprising 2,791,884,683 Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

(4) DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract with the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

(5) DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors (other than independent non-executive Directors) or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competed or might compete with the businesses of the Group.

(6) DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE ENLARGED GROUP

(a) Interests in assets

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2019 (being the date up to which the latest published audited consolidated financial statements of the Group was made), acquired or disposed of by, or leased to any member of the Enlarged Group, or which were proposed to be acquired or disposed of by, or leased to any member of the Enlarged Group.

(b) Interests in contracts

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which was significant in relation to the business of the Enlarged Group.

(7) MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

(8) MATERIAL CONTRACTS

The following contracts have been entered into by the Company and its subsidiaries (not being contract entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date:

(i) the share transfer agreement dated 13 November 2018 between True Crown Holdings Limited (Group) Co., Ltd.* (尚毅控股有限公司) and Nanchang Shenfei Real Property Limited* (南昌綠地申飛置業有限公司) in relation to the disposal of 100% of the equity interest in Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司) at a consideration of US$283 million details of which are set out in the Company's announcement dated 13 November 2018 and the Company's circular dated 30 November 2018;

(ii) the subscription agreement dated 12 December 2018 entered into amongst the Company, Credit Suisse (Hong Kong) Limited, Guotai Junan Securities (Hong Kong) Limited, BOCI Asia Limited, CEB International Capital Corporation Limited, China CITIC Bank International Limited, Haitong International Securities Company Limited and The Hongkong and Shanghai Banking Corporation Limited in connection with the issue of 9.875 per cent. bonds due 2020 in the aggregate principal amount of US$200,000,000, details of which are set out in the Company's announcements dated 12, 13 and 17 December 2018;

(iii) the transaction contract entered into in December 2018 between Guangxi Greenland Xintie Real Property Limited* (廣西綠地鑫鐵置業有限公司) and Guangxi Property (Group) Limited* (廣西地產(集團)有限公司) in relation to the acquisition of the parcel of land and property development projects situated at land parcels C & D, located at the north side of Qingxiu Wanda Plaza, Dongge Road extension, Nanning, the PRC* (南寧市東葛路延長線青秀萬達廣場北面C及D地塊) at a consideration of RMB1,135.5 million, details of which are set out in the Company's announcement dated 12 December 2018;

(iv) the sale and purchase agreement entered into on 29 March 2019 between SPG Investment X (BVI) Limited ("**SPG Investment X**") and BSREP III China Retail Holdings Limited ("**BSREP III**") in relation to the disposal of the entire 100% of the equity interest in Prosper Spring Investments Limited (旺泉投資有限公司) at a consideration of approximately RMB3,002,362,000, details of which are set out in the Company's announcement dated 4 April 2019 and the Company's circular dated 25 June 2019;

(v) the land grant contract entered into in April 2019 between Zhejiang Lvxiang Business Management Limited* (浙江綠香企業管理有限公司) ("**Zhejiang Lvxiang**") and the Bureau of Natural Resources and Planning* of Tongxiang City, the PRC (中國桐鄉市自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number Tongtuxu [2019]04* (桐土儲[2019]04號) located at the south side of Fazhan Avenue and West side of Zhenhua Road, Zhejiang Province, the PRC (中國浙江省桐鄉經濟開發區發展大道南側、振華路西側) at a consideration of approximately RMB483 million, details of which are set out in the Company's announcement dated 18 April 2019;

(vi) the subscription agreement dated 10 July 2019 entered into amongst the Company, BOC International, HSBC, Standard Chartered Bank, China Everbright Bank Co., Ltd., Hong Kong Branch, China Investment Securities International Brokerage Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Orient Securities (Hong Kong) Limited and TFI Securities and Futures Limited in connection with the issue of 6.0 per cent. bonds due 2021 in the aggregate principal amount of US$300,000,000, details of which are set out in the Company's announcements dated 11 July 2019 and 17 July 2019;

(vii) the land grant contract entered into in September 2019 between Suzhou Lvjie Real Estate Co., Ltd.* (蘇州綠傑置業有限公司) and the Bureau of Natural Resources and Planning of Wujiang District, Suzhou City, the PRC* (蘇州市吳江區自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number WJ-J-2019-019 located at the 1 Taihushao, Wujiang Development Zone, Suzhou, the PRC (中國蘇州吳江開發區太湖梢1號地塊) at a consideration of approximately RMB1,727.9 million, details of which are set out in the Company's announcement dated 28 August 2019;

(viii) the equity contribution and cooperation agreement entered into on 2 September 2019 between Glory Creation Group Limited (祥凱集團有限公司) ("**Glory Creation**"), Changzhou Heimudan Property Co., Ltd.* (常州黑牡丹置業有限公司) and Changzhou Mudan Hongdu Real Estate Co., Ltd.* (常州牡丹弘都房地產有限公司) ("**Changzhou JV**")in relation to the acquisition of 80% interest in Changzhou JV and formed a joint venture for the property development project in respect of the land parcels of land lot nos. XL120226 and XL120236 situated at Xinqiao Town, Xinbei District, Changzhou City, the PRC (中國常州市新北區新橋鎮) owned by Changzhou JV for a total capital commitment of not more than approximately RMB838.4 million, details of which are set out in the Company's announcement dated 2 September 2019;

(ix) the land grant contract entered into in September 2019 between Wuxi Guosheng Property Development Company Limited* (無錫國盛房產開發有限公司) ("**Wuxi Guosheng**")and the Bureau of Natural Resources and Planning of Jiangyin City* (江陰市自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number Chengdi 2019-C-12 (澄地2019- C-12) located at the eastern side of Jingui Road, the southern side of Jinke Road and the western side of Changshanda Road, Jiangyin City, Jiangsu Province of the PRC (中國江蘇省江陰市金桂路東、金科路南、長山大道西側) at a consideration of approximately RMB1,192.34 million, details of which are set out in the Company's announcement dated 13 September 2019;

(x) the land grant contract entered into in September 2019 between Wuxi Guosheng and the Bureau of Natural Resources and Planning of Jiangyin City* (江陰市自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number Chengdi 2019-C-13 (澄地 2019-C-13) located at Yunting Street, the eastern side of Jingui Road, the southern side of Jinyun Road, the western side of Changshan Avenue and the northern side of Yushan Road, Jiangyin City, Jiangsu Province, the PRC (中國江蘇省江陰市雲亭街金桂路東、金雲街南、長山大道西、敔山路以北) at a consideration of approximately RMB827.99 million, details of which are set out in the Company's announcement dated 18 September 2019;

(xi) the land grant contract entered into in December 2019 between Finest Elite Holdings Limited (傑穎控股有限公司*) and the Bureau of Natural Resources and Planning of Nantong City* (南通市自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number CR2019-016 located at the eastern side of Xinshiji Avenue and the southern side of Renmin East Road, Tongzhou District, Nantong City, Jiangsu Province, the PRC (中國江蘇省南通市通州區人民東路南側、新世紀大道東側) at a consideration of approximately RMB1,233.05 million, details of which are set out in the Company's announcement dated 6 December 2019;

(xii) the cooperation and development agreement entered into on 24 February 2020 between Kunming Shenggao Dacheng Real Estate Development Company Limited* (昆明盛高大城房地產發展有限公司), Yunnan Agile Real Estate Development Company Limited* (雲南雅居樂房地產開發有限公司) and Kunming Yaxin Real Estate Development Company Limited* (昆明雅欣房地產開發有限公司) ("**Kunming JV**"), in relation to the acquisition of 50% interest in Kunming JV and formed a joint venture for the property development project in respect of the land parcels of land lot nos. KCXS2017-4 and KCXS2017-8 situated at Qianwei Street Office, Xishan District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市西山區前衛街道辦事處) owned by Kumming JV for a total capital commitment of not more than approximately RMB950.2 million, details of which are set out in the Company's announcement dated 24 February 2020;

(xiii) the equity injection and cooperation agreement entered into on 24 April 2020 between Glory Creation, Yancheng Shijixincheng Real Estate Development Co., Limited* (鹽城世紀新城地產開發有限公司), and Yancheng Chengbang Real Estate Development Co., Limited* (鹽城誠邦地產開發有限公司) ("**Yancheng JV**") in relation to the acquisition of 50% interest in the Yancheng JV and formed a joint venture for the property development project in respect of the land parcel of land lot no. Yanchengshi 20192101* (鹽城市20192101) situated at Songshan Road West and Yandu Road North, Yancheng City of Jiangsu Province, the PRC (中國江蘇省鹽城市嵩山路西、鹽瀆路北側) owned by Yancheng JV for a total capital commitment of not more than approximately RMB611.88 million, details of which are set out in the Company's announcement dated 24 April 2020;

(xiv) the land grant contract entered into in May 2020 between Kunming Lvchuan Real Estate Limited Company* (昆明綠川置業有限公司) and the Kunming City Jinning District Natural Resources Bureau* (昆明市晉寧區自然資源局) in relation to the acquisition of six land parcels located at Shibei area, Jincheng Town, Jinning District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市晉寧區晉城鎮石碑片區) at a total consideration of approximately RMB501.94 million, details of which are set out in the Company's announcement dated 21 May 2020;

(xv) the land grant contract entered into on in June 2020 between Zhejiang Lvxiang and the Yuhang branch of Bureau of Planning and Natural Resources of Hangzhou City* (杭州市規劃和自然資源局余杭分局) in relation to the acquisition of the Yuhang District Chongxian New City A-2 land parcel (余杭區崇賢新城A-2地塊) with lot number Yuzhengchuchu (2020) No.12 (余政儲出(2020)12號) located at the western side of Gongkang Road, the northern side of Chongwen Street, the eastern side of adjacent land and the southern side of Chonghang Street, Yuhang District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市余杭區東至拱康路、南至崇文街、西至相鄰土地、北至崇杭街) at a consideration of approximately RMB1,312.62 million, details of which are set out in the Company's announcement dated 19 May 2020;

(xvi) the equity injection and cooperation agreement entered into on 2 July 2020 between Changzhou Mudan Hongdu Real Estate Co., Limited (常州牡丹弘都房地產有限公司), Changzhou Huanlong Real Estate Investment Development Co., Limited* (常州環龍實業投資發展有限公司) and Changzhou Huanlong Jiangcheng Real Estate Co., Limited* (常州環龍江城置業有限公司) ("**Changzhou JV**") in relation to the acquisition of 51% interest in the Changzhou JV and formed a joint venture for the property development project in respect of the land parcel of land lot no. XG120106 situated at the western side of North Changjiang Road and the southern side of Donghai Road, Xinbei District, Changzhou City of Jiangsu Province, the PRC (中國江蘇省常州市新北區東海路以南長江北路以西) owned by Changzhou JV for a total capital commitment of not more than approximately RMB399.02 million, details of which are set out in the Company's announcement dated 2 July 2020;

(xvii) the land grant contract entered into in September 2020 between Zhejiang Lvxiang and the Tongxiang City Natural Resources and Planning Bureau* (桐鄉市自然資源和規劃局) in relation to the acquisition of the parcel of land with lot number Tongtuchu [2019] No. 11 (桐土儲[2019]11號) located at the eastern side of Zhenhua Road, the southern side of Fazhan Avenue, Tongxiang Economic Development Zone, Tongxiang City, Zhejiang Province, the PRC (中國浙江省桐鄉市桐鄉經濟開發區發展大道南側、振華路東側) at a consideration of approximately RMB478 million, details of which are set out in the Company's announcement dated 9 September 2020; and

(xviii) the Equity Transfer Agreement.

(9) EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice contained in this circular (the "**Experts**"):

Name	**Qualification**
Octal Capital Limited	a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Deloitte Touche Tohmatsu	Certified Public Accountants
Cushman & Wakefield Limited	Independent property valuer
JunHe LLP	PRC legal adviser

As at the Latest Practicable Date, each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding interests in the Company or any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in the Company or any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been, since 31 December 2019 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(10) MISCELLANEOUS

(i) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(ii) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(iii) The head office of the Company is at No. 193 Xiehe Road, Changning District, Shanghai, PRC.

(iv) The principal place of business of the Company in Hong Kong is at Room 5711, 57th Floor, The Center, 99 Queen's Road Central, Hong Kong.

(v) Ms. Fung Wai Sum is the company secretary of the Company. Ms. Fung is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

(vi) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

(11) DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekdays (except for Saturday, Sunday and public holidays) at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

(i) the memorandum and articles of association of the Company;

(ii) the annual reports of the Company containing audited consolidated financial statements of the Company for the two years ended 31 December 2018 and 2019;

(iii) accountants' report of the Target Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this circular;

(iv) the report on the unaudited pro forma information of the Enlarged Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix III to this circular;

(v) the valuation report from Cushman & Wakefield Limited, the text of which is set out in Appendix VI to this circular;

(vi) the written consents referred to in the paragraph headed "Experts and Consents" in this Appendix VII;

(vii) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix VII, including the Equity Transfer Agreement;

(viii) the circular of the Company dated 11 June 2020; and

(ix) this circular.

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Greenland Hong Kong Holdings Limited (the "**Company**") will be held at 10:00 a.m. on Thursday, 10 December 2020 for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

the terms of and the transactions contemplated under the Equity Transfer Agreement (the "**Equity Transfer Agreement**") dated 12 October 2020 (a copy of which, together with the appendices, marked "A" has been tabled before the EGM and initialed by the chairman of the EGM for identification purposes) in respect of the Acquisition be and are hereby approved, and any one director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he/she/they may in his/her/their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Equity Transfer Agreement and all matters incidental thereto."

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman and Chief Executive Officer

Hong Kong
25 November 2020

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Unit 5711, 57/F
The Center
99 Queen's Road Central
Hong Kong

Notes:

1. All registered shareholders will be able to join the EGM via the e-Meeting System. Our e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

2. Any registered shareholder entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more (if he/she/it holds two or more Shares) proxies to attend and vote via the e-Meeting System in his/her/its place. A proxy need not be a member of the Company.

3. In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or other authority) must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).

4. Completion and return of the form of proxy will not preclude a member from attending and voting via the e-Meeting System at the EGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. In the case of joint holders of any share(s), only **ONE PAIR** of log-in username and password will be provided to the joint holders. Any one of such joint holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.

6. For the purpose of determining shareholders' eligibility to attend and vote via the e-Meeting System at the EGM, the register of members of the Company will be closed on 10 December 2020, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 9 December 2020.

7. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time between 7:30 a.m. and 9:30 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the websites of the Company and the Stock Exchange to notify Shareholders of the date and time of the adjourned EGM. The EGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

8. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui and Ms. Wang Xuling; and the independent non-executive directors of the Company are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G.