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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes (as defined below) are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.

This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document) forms the basis for any contract or commitment whatsoever. For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Jinke Property Group Co., Ltd. (金科地產集團股份有限公司) (the “Issuer”) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

Notice to Hong Kong investors: The Issuer, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) (each as defined in the offering memorandum) confirm that the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the SEHK on that basis. Accordingly, the Issuer, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.



Jinke Property Group Co., Ltd.
(金科地產集團股份有限公司)

(incorporated with limited liability in the People’s Republic of China)

PUBLICATION OF THE OFFERING MEMORANDUM
US\$325,000,000 6.85% NOTES DUE 2024 (THE “NOTES”)
(Stock Code: 40695)

Sole Global Coordinator

China International Capital Corporation

Joint Bookrunners and Joint Lead Managers

**China International
Capital Corporation**

**China CITIC Bank
International**

CMBC Capital

CMB International

Guotai Junan International

Haitong International

The Bank of East Asia, Limited

This announcement is issued pursuant to Rule 37.39A of the Listing Rules on SEHK.

Please refer to the offering memorandum dated 25 May 2021 (the “**Offering Memorandum**”) appended herein in relation to the issuance of the Notes. As disclosed in the Offering Memorandum, the Notes were intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the SEHK on that basis. The Offering Memorandum does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

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

Hong Kong, 31 May 2021

As at the date of this announcement, the directors of Jinke Property Group Co., Ltd. (金科地產集團股份有限公司) are Mr. Zhou Da, Mr. Wang Hongfei, Mr. Yang Chengjun, Ms. Liu Jing, Mr. Yang Liu, Mr. Chen Gang, Mr. Zhu Ning, Mr. Wang Wen, and Mr. Hu Yuntong.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES

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

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

THIS OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES LAWS OF APPLICABLE JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

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

Confirmation and your representation: In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, you must comply with the following provisions. By accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to our Company and China International Capital Corporation Hong Kong Securities Limited, China CITIC Bank International Limited, CMBC Securities Company Limited, CMB International Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited and The Bank of East Asia, Limited (collectively, the “Initial Purchasers” and each an “Initial Purchaser”) that (i) you and any customers you represent are outside the United States, that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, and to the extent you purchase the securities described in the attached offering memorandum, you will be doing so in an offshore transaction pursuant to and in compliance with Regulation S under the Securities Act; and (ii) you consent to delivery of such offering memorandum by electronic transmission.

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

Prohibition of Sales to UK Retail Investors - The securities are not intended to be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, the expression retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Company. All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to any securities in, from or otherwise involving the United Kingdom.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Company has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

You are reminded that this offering memorandum has been delivered to you on the basis that you are a “professional investor” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or, if you are outside Hong Kong, you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located. You may not, nor are you authorized to, deliver or disclose the contents of this offering memorandum to any other person.

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

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent or the Note Registrar or any person who controls or is otherwise affiliated with any of them, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

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

Jinke 金科

美好你的生活

Jinke Property Group Co., Ltd.

(金科地產集團股份有限公司)

(incorporated with limited liability in the People's Republic of China)

US\$325,000,000 6.85% Notes due 2024

Issue Price: 98.282%

The US\$325,000,000 in aggregate principal amount of 6.85% Notes due 2024 (the “Notes”) will be issued by Jinke Property Group Co., Ltd. (金科地產集團股份有限公司) (the “Issuer” or the “Company”), a company incorporated in the People's Republic of China (the “PRC”, which term for the purposes of this offering memorandum excludes the Hong Kong and Macao special administrative regions and Taiwan) with limited liability. The Notes will bear interest at a rate of 6.85% per annum from and including May 28, 2021 (the “Original Issue Date”). Interest will be paid on the Notes semi-annually and in arrears on May 28 and November 28 of each year, beginning on November 28, 2021. Unless previously repurchased, cancelled or redeemed, the Notes will mature on May 28, 2024. The Notes will be general obligations of our Company and may be guaranteed by certain of our future subsidiaries as described in the section entitled “Description of the Notes.” At any time and from time to time prior to May 28, 2024, the Company may at its option redeem the Notes, in whole but not in part, at a price equal to 100% of the principal amount of such notes plus: (i) accrued and unpaid interest (if any) to (but not including) the redemption date; and (ii) a premium as set forth in this offering memorandum. In addition, at any time and from time to time prior to May 28, 2024, our Company may at its option redeem up to 35% of the Notes at a redemption price of 106.85% of their principal amount, plus accrued and unpaid interest, if any, in each case, using the net cash proceeds from sales of certain kinds of capital stock. Upon the occurrence of a Change of Control Triggering Event (as defined in the indenture governing the Notes (the “Indenture”)), our Company will be required to make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. As more fully described herein, our Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by our Company for redemption, if our Company, would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. See the section entitled “Description of the Notes - Redemption for Taxation Reasons.”

The Notes will be (1) general obligations of our Company; (2) senior in right of payment to any existing and future obligations of our Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured, unsubordinated Indebtedness (as defined herein) of our Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) on a senior basis, subject to the limitations described under “Description of the Notes – The Subsidiary Guarantees and JV Subsidiary Guarantees” and in “Risk Factors – Risks Relating to the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees” of this offering memorandum; (5) effectively subordinated to the secured obligations of our Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

For a more detailed description of the Notes, see “Description of the Notes” beginning on page 182.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 22.

The Notes are expected to be rated “B+” by S&P Global Ratings (“S&P”), “BBg+” by China Chengxin (Asia Pacific) Credit Ratings Company Limited (“China Chengxin”) and “BB+” by Lianhe Ratings Global Limited (“Lianhe Global”). We have been assigned a corporate credit rating of “BB-” with a stable outlook by S&P, “B1” with a positive outlook by Moody's Investors Service (“Moody's”), “BBg+” with a stable outlook by China Chengxin and “BB+” with a stable outlook by Lianhe Global. These ratings do not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by any of the rating agencies.

Application will be made to The Stock Exchange of Hong Kong Limited (the “HKSE”) for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (“Professional Investors”) only. This offering memorandum is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) confirm that the Notes are intended for purchase by Professional Investors only and will be listed on HKSE on that basis. Accordingly, the Issuer, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For a description of certain restrictions on resales and transfers, see “Plan of Distribution” and “Transfer Restrictions.”

With reference to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) (發改外資[2015] 2044 號) (the “NDRC Notice”) promulgated by National Development and Reform Commission (the “NDRC”) of the PRC on September 14, 2015 which came into effect on the same date, the Company has registered the issuance of the Notes with the NDRC and obtained a certificate from the NDRC dated November 19, 2020 evidencing such registration. Pursuant to the NDRC Notice, we will cause relevant information relating to the issue of the Notes to be reported to the NDRC within 10 PRC working days after the Original Issue Date of the Notes.

The Company undertakes that it will (i) within 15 PRC working days after the Original Issue Date, register or cause to be registered with the State Administration of Foreign Exchange of the PRC or its competent local counterparts (“SAFE”) the Notes pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) [Hui Fa [2013] No. 19] and its operating guidelines, effective as of May 13, 2013, as amended on 4 May 2015 (the “Foreign Debt Registration”), (ii) use its reasonable endeavors to complete the Foreign Debt Registration and obtain a registration record or evidence of filing from SAFE within the time period prescribed by all applicable laws and regulations and (iii) comply with all applicable PRC laws and regulations in connection with the Foreign Debt Registration.

The Notes will be evidenced by a global note (the “Global Note”) in registered form, which will be registered in the name of a nominee of, and deposited with, a common depository for, Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”). Beneficial interests in the Global Note will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream and their respective accountholders. Except in the limited circumstances set forth herein, individual certificates for the Notes will not be issued in exchange for beneficial interests in the Global Note. It is expected that delivery of the Notes will be made on May 28, 2021 or such later date as may be agreed by the Initial Purchasers and us.

Sole Global Coordinator

China International Capital Corporation

Joint Bookrunners and Joint Lead Managers

China International Capital Corporation

China CITIC Bank International

CMBC Capital

CMB International

Guotai Junan International

Haitong International

The Bank of East Asia, Limited

The date of this offering memorandum is May 25, 2021.

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NOTICE TO INVESTORS

This offering memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates, or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. In addition, there may be legal restrictions on the distribution of this offering memorandum and the offering of the Notes in certain jurisdictions. If you come into possession of this offering memorandum, China International Capital Corporation Hong Kong Securities Limited, China CITIC Bank International Limited, CMBC Securities Company Limited, CMB International Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited and The Bank of East Asia, Limited (collectively, the “Initial Purchasers,” and each an “Initial Purchaser”) and we require that you inform yourself about and observe any such restrictions. See “Plan of Distribution” and “Transfer Restrictions.”

Neither the United States Securities and Exchange Commission nor any state securities commission or regulatory authority in the United States has approved or disapproved these securities or determined if this offering memorandum is truthful, complete or adequate. Any representation to the contrary is a criminal offense.

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

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

Prohibition of Sales to UK Retail Investors - The securities are not intended to be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, the expression retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/ 2014 as it forms part of domestic law by virtue of the EUWA. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Company. All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to any securities in, from or otherwise involving the United Kingdom.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Company has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IN CONNECTION WITH THIS OFFERING, ANY OF THE INITIAL PURCHASERS (OTHER THAN CHINA CITIC BANK INTERNATIONAL LIMITED) APPOINTED AND ACTING IN ITS CAPACITY AS A STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF ANY STABILIZING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A

VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILIZING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This offering memorandum is strictly confidential. We are furnishing this offering memorandum solely for the purpose of enabling you to consider the purchase of the Notes. If you have any doubt about this offering memorandum, you should consult your bank manager, legal counsel, professional accountant or other professional advisor. Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers or Citicorp International Limited (the “Trustee”) or Citibank, N.A., London Branch (the “Paying Agent,” the “Transfer Agent,” the “Note Registrar,” and collectively, the “Agents”) or any of their respective affiliates, employees, directors, agents, advisors or representatives in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us and our subsidiaries, the Notes, the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any) other than as contained herein.

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

In making an investment decision, each prospective investor must rely on its own examination of our Group (as defined below) and the terms of the Notes, including, without limitation, the merits and risks involved. Each person receiving this offering memorandum is advised to read and understand the contents of this offering memorandum, including the financial statements and the related notes thereto, before investing in the Notes. We have provided the information contained in this offering memorandum and have also relied on other identified sources.

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

None of the Initial Purchasers, the Trustee, the Agents or any of their respective affiliates or advisors has independently verified any of the information contained in this offering memorandum and they make no representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of such information, and you should not rely on anything contained in this offering memorandum as a promise or representation by the Initial Purchasers, the Trustee, the Agents or any of their respective affiliates or advisors. To the fullest extent permitted by law, none of the Initial Purchasers, the Trustee, the Agents or any of their respective affiliates, employees, directors, agents, advisors or representatives accept any responsibility or liability in relation to information contained in this offering memorandum, statement made or purported to be made by the Initial Purchasers or the Trustee or the Agents or on its behalf or any other information provided by us in connection with our Company, our Group, the Notes, the Subsidiary Guarantees (if any), the JV Subsidiary Guarantees (if any) or the issue and offering of the Notes. This offering memorandum is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by our Company, the Initial Purchasers, the

Trustee, the Agents or any of their respective affiliates or advisors that any recipient of this offering memorandum should purchase the Notes.

You should not reproduce or distribute this offering memorandum, in whole or in part, and should not disclose any contents or use any information in this offering memorandum for any purpose other than considering an investment in the Notes. None of the Initial Purchasers or any of their respective affiliates undertakes to review the financial condition or affairs of our Company or our Group for so long as the Notes remain outstanding nor to advise any investor or potential investor of the Notes of any information coming to the attention of the Initial Purchasers or their respective affiliates. By accepting delivery of this offering memorandum, you agree to these terms.

Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this offering memorandum and must obtain any consents, approvals or permissions required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of our Company and the Initial Purchasers shall have any responsibility therefor.

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

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions, which you should consider when reading the information contained herein.

In this offering memorandum, the terms the “Company”, the “Issuer”, “we,” “our”, “us” or the “Group” refers to Jinke Property Group Co., Ltd. (金科地產集團股份有限公司) and, as the context requires, its consolidated subsidiaries.

References to “U.S. dollars” and “US\$” are to United States dollars, the official currency of the United States of America (the “**United States**” or “**U.S.**”). References to “Renminbi” or “RMB” are to Renminbi, the official currency of the People’s Republic of China (“**China**” or the “**PRC**”).

We prepare and publish our consolidated financial statements in Renminbi. Unless otherwise stated in this offering memorandum, all translations from Renminbi to U.S. dollars have been made at the rates of RMB6.5250 to US\$1.00, the noon buying rate in effect on December 31, 2020 set forth in the H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York. All such translations in this offering memorandum are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars, or Hong Kong dollar amounts, as the case may be, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see “Exchange Rate Information.”

References to “**EIT**” are to the PRC Enterprise Income Tax.

References to “**PRC**” and “**China**,” in the context of statistical information and description of laws and regulations in this offering memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC, or Taiwan. References to “PRC government” or “State” means the central government of the PRC, together with all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Unless otherwise specified, all site area and gross floor area data presented in this offering memorandum for any project represents the site area and GFA of the entire project, respectively, including such amount attributable to our shareholding interests in our non-wholly owned project companies.

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

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

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. All statements other than statements of historical facts contained in this offering memorandum, including, without limitation, those regarding our future financial position, our strategies, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “may,” “will,” “should,” “could,” “would,” “expect,” “intend,” “plan,” “anticipate,” “going forward,” “ought to,” “seek,” “project,” “forecast,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other comparable terminology are forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not a guarantee of future performance and may not materialize or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section entitled “Risk Factors” in this offering memorandum. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this offering memorandum, whether as a result of new information, future events or otherwise after the date of this offering memorandum. All forward-looking statements contained in this offering memorandum are qualified by reference to the cautionary statements set forth in this section. Important factors that could cause our actual performance or achievements to differ materially from those expressed or implied by the forward-looking statements include, among other things, the following:

- our business and operating strategies;
- our acquisition strategies;
- our capital expenditure and property development plans;
- the amount and nature of, and potential for, future development of our business;
- our operations and business prospects;
- various business opportunities that we may pursue;
- the prospective financial information regarding our businesses;
- availability and costs of bank loans and other forms of financing;
- our property development projects;
- the regulatory environment of our industry in general, including but not limited to the interpretation and implementation of the existing rules and regulations relating to LAT (as defined below) and its future changes in enactment, interpretation or enforcement;
- the performance and future developments of the real estate market in China or any region in China in which we may engage in property development and provision of property management services;
- the performance and future developments of our other ancillary businesses, such as property construction services, new energy and property leasing;
- changes in political, economic, legal and social conditions in China, including the specific policies of the PRC central and local governments affecting the region where we operate, which affect land supply, availability and cost of financing, and pre-sale, pricing and volume of our property development projects;
- timely repayments by our purchasers of mortgage loans guaranteed by us;
- significant delay in obtaining various permits, proper legal titles or approvals for our properties;
- changes in competitive conditions and our ability to compete under these conditions;
- changes in currency exchange rates; and
- other factors beyond our control.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability company incorporated in the PRC and each Subsidiary Guarantor (if any) and JV Subsidiary Guarantor (if any) or may be incorporated, as the case may be, outside the United States. The PRC and other jurisdictions have different bodies of securities laws from that of the United States and protections for investors may differ.

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

Since 1979, the PRC government has promulgated laws and regulations in relation to general economic matters such as foreign investment, corporate organization and governance, commerce, taxation, foreign exchange and trade, with a view towards developing a comprehensive system of commercial law. In particular, legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in the PRC. As a result of the activities to develop the legal system, the system of laws in the PRC continues to evolve. However, even where adequate law exists, the enforcement of existing laws or contracts may be uncertain and sporadic. The PRC legal system is based on written statutes and their interpretations, and prior court decisions may be cited for reference but have limited weight as precedent. We have been advised by DeHeng Law Offices, our PRC legal advisor, that it is uncertain whether the courts of the PRC would (i) enforce judgments of U.S. courts obtained against us or our directors, supervisors and officers, any Subsidiary Guarantor, any JV Subsidiary Guarantor or their respective directors, supervisors or officers predicated solely upon the civil liability provisions of the U.S. federal or state securities laws, or (ii) entertain original actions brought in the PRC against us or our directors, supervisors or officers, any Subsidiary Guarantor (if any), any JV Subsidiary Guarantor (if any) or their respective directors, supervisors or officers predicated solely upon the U.S. federal or state securities laws. There is no treaty for reciprocal recognition or enforcement of judgments between PRC and the United States.

The Notes and the Indenture are each governed by the laws of the State of New York. Under the Notes and the Indenture, we will irrevocably submit to the non-exclusive jurisdiction of any state or United States federal court located in the Borough of Manhattan, the City of New York, New York in any suit, action or proceeding arising out of or relating to the Notes, the Subsidiary Guarantees (if any), the JV Subsidiary Guarantees (if any) and the Indenture.

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

PRESENTATION OF FINANCIAL INFORMATION

This offering memorandum contains our audited consolidated financial information, which have been prepared and presented in accordance with the Accounting Standards for Business Enterprises (“**ASBE**”) issued by the Ministry of Finance of the PRC (the “**MOF**”) and Application Guidance and Interpretations of ASBE and other relevant regulations issued thereafter (collectively, “**PRC GAAP**”), which differ in certain material respects from International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. See “Summary of Certain Material Differences between PRC GAAP and IFRS.”

The summary financial data as of and for the years ended December 31, 2018, 2019 and 2020 set forth in this offering memorandum have been derived from our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, as audited by Pan-China Certified Public Accountants LLP (“**Pan-China CPA**”), independent certified public accountants, and are included elsewhere in this offering memorandum.

Our consolidated financial statements have only been prepared in Chinese and an English translation of which has been prepared and included in this offering memorandum for reference only. Should there be any inconsistency between our consolidated financial statements in Chinese and the English translation of such financial statements, our consolidated financial statements in Chinese shall prevail. The English translation of our consolidated financial statements does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to the more detailed information and the financial information set out or referred to in, our consolidated financial statements in Chinese. Neither the Initial Purchasers nor their respective affiliates, directors and advisors has independently verified or checked the accuracy of the English translation of our consolidated financial statements and can give no assurance that the information contained in such English translation is accurate or complete. The original Chinese version of our consolidated financial statements is available on the Company’s website at <https://www.jinke.com/investor/report/>.

Our reporting currency is Renminbi.

GLOSSARY OF TECHNICAL TERMS

The following are definitions of certain terms in this offering memorandum that are commonly used in connection with our business. The terms and their meanings may not correspond to standard industry meanings or usages of those terms.

“ aggregate GFA ” or “ total GFA ”	Includes both saleable GFA and non-saleable GFA
“ average realized selling price (per sq.m.) ”	calculated by dividing revenue derived from property developments by aggregate GFA sold
“ certificate of completion ”	the construction project planning inspection and clearance certificate (建設工程竣工驗收備案) issued by various local bureaus in China including the fire protection department, planning department, environmental protection department and air defense department with respect to the completion of property projects subsequent to their on-site examination and inspection
“ commodity properties ”	Residential properties, commercial properties and other buildings that are developed by real estate developers for the purposes of sale or lease after their completion
“ contracted sales ”	total contractual value of properties sold in the relevant period, i.e. the total contractual value determined in the formal sale and purchase contract signed by both parties; it includes completed properties sold and properties pre-sold prior to completion of construction; contracted sales in any given period is not equivalent to the revenue in the relevant period and shall not be deemed as an indication for the revenue to be recognized in any future period; contracted sales data is unaudited and is based on internal information of our Group, which is provided for investors’ reference only, as such, recipients should not place undue reliance on this information
“ construction land planning permit ”	the construction land planning permit (建設用地規劃許可證) issued by a local urban zoning and planning bureau or some other relevant government authority
“ construction permit ”	the construction works commencement permit (建設工程施工許可證) issued by a local governmental construction committee or some other relevant government authority
“ construction works planning permit ”	the construction works planning permit (建設工程規劃許可證) issued by a local urban zoning and planning bureau or some other relevant government authority
“ GFA ”	gross floor area
“ land bank ”	the sum of: (i) our aggregate GFA completed (excluding aggregate GFA sold and pre-sold), (ii) our aggregate GFA under development (excluding aggregate GFA sold and pre-sold), (iii) our aggregate GFA held for future development, and (iv) aggregate GFA unsold attributable to us of properties developed by our joint ventures and associates, including those for which we have entered into a land grant contract but have not obtained the land use rights certificate, unless otherwise stated
“ land grant contract ”	the state-owned land use right grant contract (國有土地使用權出讓合同) entered into with a land administration bureau or some other relevant government authority in respect of the grant of state-owned land use rights
“ land use right certificate ”	the state-owned land use right certificate (國有土地使用證) issued by a local land and resources bureau or some other relevant government authority

“LAT”	land appreciation tax
“non-saleable GFA”	the amount of GFA that is not for sale, which typically includes communal facilities
“pre-sale”	sales of properties prior to the completion of their construction, after the satisfaction of certain conditions under PRC laws and regulations
“pre-sale permit”	the commodity property pre-sale permit (商品房預售許可證) issued by a local land and resources and/or housing administration bureau or some other relevant government authority
“property ownership certificate”	the property ownership certificate (房地產權證) issued by a local land and resources and/or housing administration bureau or some other relevant government authority
“saleable GFA”	the amount of GFA that a property developer intends to sell and that does not exceed the multiple of the site area and the maximum permissible plot ratio
“sq.m.”	square meter

SUMMARY

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

Our Business

We are one of the leading property developers in the PRC with an established track record and market-leading capabilities in real estate development and property management. Tracing our history back to 1998, we initially focused on property developments in Chongqing, capturing the opportunities presented by its rapidly growing economy. With our reputation and experience gained in Chongqing, we quickly expanded our network and footprint. Our focus on optimizing execution efficiency through a multi-level management model combined with the consistency in our product quality have allowed us to quickly replicate our success across China to cover approximately 23 provinces and regions. As of December 31, 2020, our property development portfolio¹ consisted of 80 completed properties² with a total GFA (including GFA sold and unsold) of 21.9 million sq.m. and 257 properties under development with a total GFA (including GFA sold and unsold) of 75.8 million sq.m., including 15.6 million sq.m. that newly commenced development in 2020. We have another 26 planned properties for future development with a total planned GFA of 7.3 million sq.m. as of the same date. As testament to our widely recognized brand name and success, we were included in the Forbes Global 2000 List consecutively from 2018 to 2021 and also ranked in the “China Top 100 Real Estate Enterprises (中國房地產百強企業)” for 17 consecutive years from 2005 to 2021. Leveraging our strengths in the property industry, we expanded into property management to diversify our revenue sources and business portfolio. As of December 31, 2020, our property management portfolio consisted of over 600 properties from residential developments, office buildings, hotels to educational institutions in 152 cities and regions, covering a contractual GFA scale of approximately 277.2 million sq.m. For five years running from 2017 to 2021, we were ranked among “China Top 100 Property Management Companies (中國物業服務百強企業)” in the annual industry report published by the China Index Academy (中國指數研究院), including first in the Central West region in terms of overall capabilities.

As of December 31, 2020, we had a land bank³ with a total GFA of approximately 71.1 million sq.m. comprising, among others, (i) aggregate GFA completed and unsold⁴ of approximately 2.1 million sq.m., (ii) aggregate GFA under development and unsold⁵ of approximately 36.6 million sq.m., (iii) aggregate GFA held for future development and unsold²⁴ of approximately 6.6 million sq.m., and (iv) aggregate GFA unsold attributable to us for properties developed by our joint ventures and associates⁶ of approximately 10.5 million sq.m. Our land bank is strategically located in regions that constitute the “Three Zones and One Belt (三圈一帶)” in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, which are some of the main high-growth potential areas in the PRC. Underpinned by a fundamental growth strategy to focus on these areas, we continue to improve our geographical mix through replenishment of quality land bank and taking a balanced approach to the distribution of land bank among cities. Besides increasing our land holdings opportunistically, we also strive to provide high-quality real estate products to the market by focusing on every step of the development process, from site selection, planning, landscaping and construction to fitting-out and property management. In this regard, our other businesses, including property management, landscape engineering, door and window engineering and decoration design, create significant synergies with our real estate development efforts, enabling us to optimize our execution efficiency while maintaining effective cost and execution control over the entire real estate development process.

Our principal property product is residential developments comprised of apartments, townhouses or condominiums fully equipped with on-site facilities and amenities such as retail shops, clubhouses and gardens. Integrating our expertise in property management and cumulative experience in our other ancillary businesses, our developments seek to offer the increasingly affluent and consequently lifestyle-conscious homebuyers modern and convenient residential communities that value healthy living, closeness to nature and concern for the environment. In addition, we have expanded our product offerings by selectively diversifying into commercial and industrial property developments, including mixed use properties combining retail, lifestyle and entertainment options,

¹ Excluding properties developed by our joint ventures or associates that are not consolidated into our financials.

² Excluding properties completed prior to 2017.

³ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁴ Excluding properties that are not consolidated into our financials and properties completed prior to 2017.

⁵ Excluding properties that are not consolidated into our financials.

⁶ Such properties are not consolidated into our financials.

culture tourism properties and technology parks. Over the years, our products have gained wide brand recognition among consumers, as reflected by our strong contracted sales and sales records. For the years ended December 31, 2018, 2019 and 2020, our total contracted sales⁷ amounted to approximately RMB115.6 billion, RMB181.4 billion and RMB217.8 billion (US\$33.4 billion), representing a CAGR of approximately 37.3% during that period, with a total contracted GFA sold⁸ of approximately 13.4 million sq.m., 19.1 million sq.m. and 22.4 million sq.m., respectively.

Aside from property development, we have diversified revenue streams from our other core businesses of property management, hotel management and wind energy investment and development, supplemented by our ancillary businesses of, among others, property construction, landscape engineering, materials sales and property leasing. In particular, these businesses provide us with a stable and recurring income source. For the years ended December 31, 2018, 2019 and 2020, our consolidated revenues amounted to RMB41,233.7 million, RMB67,773.4 million and RMB87,704.4 million (US\$13,441.3 million), respectively. We have grown steadily in recent years, with net profit increasing from RMB4,020.5 million in 2018 to RMB9,704.4 million (US\$1,487.3 million) in 2020.

Competitive Strengths

- Established market position and valuable well-recognized brand name
- Strong financial position based on excellent debt management and diversified funding channels
- Strategically-located and high quality land bank with a national footprint
- Proven operational capabilities and expertise across the entire property development process
- Excellent product development proficiency and innovative product mix that caters to different market segments
- Synergistic property management business that enhances our position as a “Quality Living” provider
- Highly experienced and stable management team

Business Strategies

- Implement our “Four-as-One, Ecological Collaboration (四位一體、生態協同)” business development strategy and continue our transformation into a “Quality Living” provider
- Continue to diversify our business portfolio and overall product mix
- Continue to enhance and expand our geographical footprint and market presence

Recent Developments

Our Quarterly Financial Results for the Three Months Ended March 31, 2021

On April 30, 2021, we published our financial results as of and for the three months ended March 31, 2021 in the PRC. For the three months ended March 31, 2021, we reported increases in our operating revenue, operating profit and net profit as compared to the same period in 2020. These increases were primarily attributable to an increase in sales of our properties. Since December 31, 2020, we also acquired more land with a total site area of approximately 1.8 million sq.m., adding a total planned GFA of approximately 4.0 million sq.m. to our land reserves. Corresponding with such increase in sales and continued expansion of our business scale, our operating cost recorded an increase too, particularly our selling expenses, administrative expenses and financial expenses. The increased selling expenses and administrative expenses were primarily due to, other than the increase in sales of our properties, increased management costs resulting from our business expansion, while the increased financial expenses mainly resulted from the decrease in interest income. As of March 31, 2021, our total assets recorded a stable increase as compared to the balance as of December 31, 2020, primarily due to increases in notes receivable, accounts receivable, other receivables, inventories and long-term equity investments. Our total liabilities as of the

⁷ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁸ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

same date increased by a similar margin, primarily due to increases in notes payable, contract liabilities and long-term borrowings. We continued to obtain new loan facilities and issue debt securities in the ordinary course of business to support our operations. Since January 2021, we issued medium term notes in an aggregate principal amount of RMB500.0 billion, domestic corporate bonds in an aggregate principal amount of RMB2,950 million, commercial mortgage-backed securities in an aggregate principal amount of RMB1,685.0 million, and super short term bonds in an aggregate principal amount of RMB1.8 billion in the PRC.

Our Company publishes its quarterly financial results on the website of Shanghai Clearing House, which have not been reviewed or audited by our independent auditors or any other person and consequently should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. For the avoidance of doubt, our published quarterly financial results, including those as of and for the three months ended March 31, 2021, are not incorporated by reference herein and do not constitute part of this offering memorandum.

Acquisition of Hexie Health

On June 26, 2019, we entered into a share transfer agreement with, among others, AnBang Insurance Group Co., Ltd. (安邦保險集團股份有限公司) and AnBang Property & Casualty Insurance Co., Ltd. (安邦財產保險股份有限公司) in respect of an acquisition of Hexie Health Insurance Co., Ltd. (和諧健康保險股份有限公司) (“**Hexie Health**”) for aggregate consideration of approximately RMB22.8 billion. The other joint acquirors are Fujia Group Co., Ltd. (福佳集團有限公司), Nanjing Yangzi State-owned Investment Group Co., Ltd. (南京揚子國資投資集團有限責任公司), Zhuhai Da Heng Qin Company Limited (珠海大橫琴集團有限公司) and Liangyun Group Co., Ltd. (良運集團有限公司). We purchased a 9.9% equity interest in Hexie Health at consideration of RMB2,257.2 million. On March 19, 2020, the CBIRC approved the change in shareholders of Hexie Health, following which, we paid our share of the purchase consideration in full. As of the date of this offering memorandum, the business registration of the share transfer is still pending. Hexie Health specializes in the provision of health insurance and other types of insurance. We believe the acquisition will, in addition to enhancing our financial performance and assets, further diversify and strengthen our overall business portfolio and structure.

Issuance of Domestic Corporate Bonds

Our proposed issuance plan of domestic corporate bonds of no more than RMB8 billion in aggregate principal amount to professional investors had been approved by the China Securities Regulatory Commission. Phase 1 of our proposed issuance plan will comprise two types of bonds and not exceed RMB1.9 billion in total aggregate principal amount. The first type of bonds will have a term of four years and the issuer has the option to adjust the coupon at the end of the second year and bondholders have an option to redeem the bonds, whereas the second type of bonds will have a term of five years and the issuer has the option to adjust the coupon at the end of the third year and bondholders have an option to redeem the bonds. The issuance quotas of both types of corporate bonds are interchangeable and there is no restriction on the proportion of one type to the other. In January 2021, we issued the first type of corporate bonds in a principal amount of RMB750 million with a coupon of 6.2% and a four-year maturity. As of the date of this offering memorandum, we have yet to issue the second type of corporate bonds. For phase 2 of our proposed issuance plan, we issued corporate bonds in a principal amount of RMB2.2 billion in March 2021 with a coupon of 6.3% and a term of four years. We have the option to adjust the coupon at the end of the second year and bondholders have an option to redeem the bonds.

THE OFFERING

The following summary is provided solely for your convenience. This summary is not intended to be complete and it is subject to important limitations and exceptions. You should read the full text and more specific details contained elsewhere in this offering memorandum. For a more detailed description of the Notes, see “Description of the Notes.” The information contained in “Description of the Notes” shall prevail to the extent of any inconsistency with the information set forth in this section. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Description of the Notes.”

Issuer	Jinke Property Group Co., Limited (金科地產集團股份有限公司)
Notes Offered	US\$325,000,000 6.85% senior notes due 2024.
Issue Price	98.282% of the principal amount of the Notes.
Original Issue Date	May 28, 2021.
Maturity Date	May 28, 2024.
Interest Rate	The Notes will bear interest from and including the Original Issue Date at the rate of 6.85% per annum, payable in arrears.
Interest Payment Dates	May 28 and November 28 of each year, commencing November 28, 2021.
Ranking of the Notes	<p>The Notes are:</p> <ul style="list-style-type: none">• general obligations of the Issuer;• senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes;• at least pari passu in right of payment with the Existing Notes and all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law);• guaranteed by the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) on a senior basis, subject to the limitations described below under “Description of the Notes – The Subsidiary Guarantees and the JV Subsidiary Guarantees” and in “Risk Factors – Risks Relating to the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees” of this offering memorandum;• effectively subordinated to the secured obligations of the Issuer, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and• effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.
Subsidiary Guarantees	<p>Each of the Subsidiary Guarantors (if any) will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. There will be no initial Subsidiary Guarantors on the Original Issue Date.</p> <p>The Company will cause each of its future Restricted Subsidiaries (other than Persons organized under the laws of the PRC, Exempted</p>

Subsidiaries and the Finance Subsidiaries), as soon as practicable after such Person becomes a Restricted Subsidiary, and each Exempted Subsidiary that ceases to be an Exempted Subsidiary, as soon as practicable after it ceases to be an Exempted Subsidiary, and each Finance Subsidiary that ceases to be a Finance Subsidiary, as soon as practicable after it ceases to be a Finance Subsidiary, as the case may be, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such entity will Guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing sentence, the Company may elect to have (i) any future Restricted Subsidiary organized under laws outside the PRC, at the time such entity becomes a Restricted Subsidiary, (ii) any Exempted Subsidiary, at the time that such entity ceases to be an Exempted Subsidiary, or (iii) any Finance Subsidiary, at the time such entity ceases to be a Finance Subsidiary, in each case not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (Restricted Subsidiaries that are so elected not to provide Subsidiary Guarantee or JV Subsidiary Guarantee and the Initial Non-Guarantor Subsidiaries, the “Other Non-Guarantor Subsidiaries”); provided that, at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Finance Subsidiary, as the case may be, after giving effect to the consolidated assets of such entity, the Consolidated Assets of all Other Non-Guarantor Subsidiaries do not account for more than 20% of the Total Assets.

Ranking of Subsidiary Guarantees

If any is provided, the Subsidiary Guarantee of each Subsidiary Guarantor:

- will be a general obligation of such Subsidiary Guarantor;
- will be effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- will rank at least pari passu with the Existing Notes and all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

JV Subsidiary Guarantees

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will, together with all the JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be enforceable only up to the JV
- Entitlement Amount;
- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;

- will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and
- will rank at least pari passu with the Existing Notes and all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law).

The Company may also deliver a JV Subsidiary Guarantee instead of a Subsidiary Guarantee on substantially similar conditions for certain Restricted Subsidiaries that are established after the Original Issue Date.

Use of Proceeds..... We intend to use the net proceeds to refinance our medium to long-term indebtedness due within one year.

Optional Redemption..... At any time and from time to time prior to May 28, 2024, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to May 28, 2024, the Issuer may at its option redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Issuer in an Equity Offering at a redemption price of 106.85% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Repurchase of Notes Upon a Change of Control Triggering Event..... Not later than 30 days following a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date. See “Description of the Notes – Repurchase of Notes Upon a Change of Control Triggering Event.”

Redemption for Taxation Reasons..... Subject to certain exceptions and as more fully described herein, the Notes may be redeemed, at the option of the Issuer or a Surviving Person, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer or a Surviving Person, as the case may be, for redemption, if the Issuer or a Surviving Person would become obliged to pay certain Additional Amounts as a result of changes in certain tax laws. See “Description of the Notes – Redemption for Taxation Reasons.”

Covenants The Notes, the Indenture governing the Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) will limit the ability of the Issuer and its Restricted Subsidiaries to, among other things:

- incur or guarantee additional indebtedness or issue disqualified or preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;

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

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

Transfer Restrictions	The Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "Transfer Restrictions."
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and will be initially represented by one global note registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of its participants. For a description of certain factors relating to clearance and settlement, see "Description of the Notes – Book-Entry; Delivery and Form."
Delivery of the Notes	The Issuer expects to make delivery of the Notes against payment in same-day funds on or about May 28, 2021, which will be the third business day following the date of this offering memorandum referred to as "T+3." You should note that initial trading of the Notes may be affected by the T+3 settlement. See "Plan of Distribution."
Trustee	Citicorp International Limited.
Paying Agent, Transfer Agent and Note Registrar	Citibank, N.A., London Branch.
Listing and Trading	Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only and it is expected that dealing in, and listing of, the Notes on the HKSE will commence May 31, 2021.
Governing Law	The Notes, Subsidiary Guarantees (if any) and JV Subsidiary Guarantees (if any), and the Indenture are governed by and will be construed in accordance with the laws of the State of New York.

ISIN/Common Code..... ISIN: XS2338347003 Common Code: 233834700

Issuer’s Legal Entity Identifier.. 30030085B069LMR8O660.

Risk Factors..... For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see “Risk Factors.”

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present our summary financial and other data. The summary financial data as of and for the years ended December 31, 2018, 2019 and 2020 set forth below have been derived from our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, as audited by Pan-China CPA, independent certified public accountants, which are included elsewhere in this offering memorandum. Our financial statements have been prepared and presented in accordance with PRC GAAP, which differ in certain material respects from IFRS. See "Summary of Certain Material Differences between PRC GAAP and IFRS." The summary financial data below should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

Our comparative financial information as of and for the year ended December 31, 2018, as contained in our audited financial statements as of and for the year ended December 31, 2019, was restated to reflect the change in accounting policies with effect from January 1, 2019, as MOF released the "Notice on Revising and Issuing the Format of Financial Statements of General Enterprises (Cai Kuai [2019] No. 16)". Further, in accordance with revised "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets" and "Accounting Standards for Business Enterprises No. 24 - Hedge Accounting" issued by the MOF in 2019, we adopted such standards for the preparation of our financial statements as of and for the year ended December 31, 2019, while no retrospective adjustments or restatements were made to the comparative financial information as of and for the year ended December 31, 2018 contained therein. In accordance with revised "No.14 Accounting Standard for Business Enterprises – Revenue" issued by the MOF in July 2020, we adjusted the first year's retained earnings and other related items contained in our audited financial statements as of and for the year ended December 31, 2020 according to the cumulative impact of the revised revenue standard for the first time, while no retrospective adjustments or restatements had been made to the comparative financial information as of and for the year ended December 31, 2019 contained therein. See Note III.(XXXII).1 and Note III.(XXXV).1 of our audited financial statements as of and for the years ended December 31, 2019 and 2020, respectively, which are included elsewhere in this offering memorandum. Should such information be restated to reflect the effect of such change in accounting policies, the restated amounts might be different from the financial information reported therein. Consequently, **potential investors should exercise caution when using such financial information to evaluate our financial condition and results of operations.**

Summary Consolidated Income Statement and Other Financial Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Operating revenue	41,233,676.4	67,773,374.5	87,704,410.0	13,441,288.9
Total operating cost	35,814,116.6	58,510,620.2	77,433,288.3	11,867,170.6
Including: Operating cost.....	29,452,569.1	48,230,059.7	67,390,209.2	10,328,001.4
Taxes & surcharges.....	1,407,147.9	2,706,826.8	2,993,192.1	458,726.8
Selling expenses.....	2,561,812.5	4,214,509.9	3,461,793.3	530,543.0
Administrative expenses	2,339,524.8	2,689,453.8	3,014,786.5	462,036.2
R&D expenses	3,404.8	41,052.5	92,157.4	14,123.7
Financial expenses	49,657.6	628,717.6	481,149.8	73,739.4
Including: Interest expenses.....	543,249.3	965,772.8	929,847.4	142,505.3
Interest income.....	537,496.0	413,148.3	591,366.3	90,630.9
Add: Other income.....	73,489.4	153,712.5	403,227.5	61,797.3
Investment income.....	(186,233.8)	185,696.0	1,620,318.1	248,324.6
Including: Investment income from associates and joint ventures	(27,494.7)	184,600.0	1,302,614.1	199,634.3
Gains on changes in fair value (or less: losses)	66,430.3	95,873.3	464,300.0	71,157.1
Credit impairment losses.....	-	(96,449.9)	(83,244.5)	(12,757.8)
Assets impairment loss.....	(35,135.5)	(981,480.8)	(410,311.8)	(62,883.0)
Gains on asset disposal (or less: losses)	460.3	1,510.7	(34,449.0)	(5,279.5)
Operating profit (or less: losses).....	5,338,570.6	8,621,616.0	12,230,962.0	1,874,476.9
Add: Non-operating revenue.....	86,583.0	96,299.5	142,436.9	21,829.4
Less: Non-operating expenditures.....	215,045.4	382,857.0	194,407.3	29,794.2
Profit before tax (or less: loss)	5,210,108.2	8,335,058.5	12,178,991.6	1,866,512.1

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Less: Income tax	1,189,604.2	1,978,060.6	2,474,631.7	379,253.9
Net profit (or less: loss).....	4,020,504.0	6,356,997.9	9,704,359.9	1,487,258.2
Net profit attributable to owners of parent company (or less: net loss).....	3,885,918.5	5,675,826.3	7,030,016.1	1,077,397.1
Net profit attributable to non-controlling shareholders (or less: net loss)	134,585.5	681,171.6	2,674,343.8	409,861.1
Dividends	1,918,296.5	2,399,280.0	2,399,141.6	367,684.5
Other Financial Data (unaudited)				
EBITDA ⁽¹⁾ (RMB/US\$ in millions)	8,056.6	14,681.1	19,391.7	2,971.9
EBITDA margin ⁽²⁾ (%).....	19.5	21.7	22.1	-
Capitalized interest in cost of goods sold (RMB/US\$ in millions).....	2,603.0	5,448.0	6,515.4	998.5

Notes:

(1) EBITDA consists of net profit for the year plus income tax expenses, interest in the carried over cost, interest expenditures, depreciation and amortization of intangible assets and long-term deferred expenditures minus interest income. EBITDA is not a standard measure under PRC GAAP. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. See "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the Notes.

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

Summary Consolidated Balance Sheet Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Current Assets				
Cash and bank balances	29,851,757.2	35,986,127.6	43,492,262.1	6,665,480.8
Held-for-trading financial assets	-	-	68,613.6	10,515.5
Notes receivable.....	5,600.0	-	87,048.5	13,340.8
Accounts receivable	1,583,607.5	2,279,708.2	2,798,294.7	428,857.4
Receivables financing	-	6,080.0	9,364.2	1,435.1
Advances paid.....	3,392,174.8	9,186,829.6	8,753,958.0	1,341,602.8
Other receivables	13,022,849.7	22,498,003.1	30,525,719.2	4,678,271.1
Inventories	160,834,886.5	214,241,423.6	234,652,653.9	35,962,092.6
Contract Assets	-	-	961,889.3	147,416.0
Other current assets.....	4,650,397.8	7,030,605.8	10,764,545.5	1,649,738.8
Total current assets	213,341,273.7	291,228,777.9	332,114,349.1	50,898,750.8
Non-Current Assets				
Debt investments.....	-	216,497.9	222,258.2	34,062.6
Available-for-sale financial assets.....	473,468.9	-	-	-
Long-term equity investments.....	7,367,746.3	13,621,726.5	24,893,889.8	3,815,155.5
Other equity instruments investments	-	115,456.7	459,936.6	70,488.4
Investment property	3,614,715.7	8,324,103.9	13,565,748.1	2,079,041.9
Fixed assets	2,373,506.6	4,378,065.0	4,078,186.5	625,009.4
Construction in progress	1,452,752.7	247.2	31,725.0	4,862.1
Intangible assets	64,168.6	75,763.7	74,741.1	11,454.6
Goodwill	487,954.0	487,954.0	487,954.0	74,782.2
Long-term prepayments	64,436.3	92,532.5	75,629.7	11,590.8
Deferred tax assets	1,342,642.6	1,621,772.3	2,104,917.9	322,592.8
Other non-current assets.....	116,000.0	1,442,119.1	3,048,642.5	467,224.9

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Total non-current assets	17,357,391.7	30,376,238.8	49,043,629.5	7,516,265.1
Total assets.....	230,698,665.4	321,605,016.7	381,157,978.5	58,415,015.9
Current Liabilities				
Short-term borrowings	3,196,200.0	3,060,254.0	10,467,273.7	1,604,179.9
Notes payable.....	2,659,975.5	7,502,327.7	5,695,224.1	872,831.3
Accounts payable.....	13,681,241.1	23,548,500.6	28,568,273.1	4,378,279.4
Advances received	76,275,695.3	114,693,955.8	11,693.8	1,792.2
Contract liabilities			134,633,085.5	20,633,423.1
Employee benefits payable	705,325.2	677,035.9	844,293.5	129,393.6
Taxes and rates payable	3,251,597.0	4,342,321.1	4,575,672.6	701,252.5
Other payables	13,412,156.7	17,431,519.4	26,119,403.7	4,002,973.7
Non-current liabilities due within one year	24,443,315.2	29,709,478.7	23,191,173.9	3,554,202.9
Other current liabilities	-	-	5,846,358.6	895,993.7
Total current liabilities	137,625,506.0	200,965,393.1	239,952,452.6	36,774,322.2
Non-Current Liabilities				
Long-term borrowings	47,370,128.7	52,381,951.3	52,734,580.1	8,081,928.0
Bonds payable.....	6,400,460.9	13,534,958.0	11,827,121.2	1,812,585.6
Long-term payables.....	746,194.0	1,192,342.2	580,343.9	88,941.6
Deferred income.....	317,819.5	468,936.9	275,522.2	42,225.6
Deferred tax liabilities.....	467,179.4	910,273.4	2,289,624.3	350,900.3
Other non-current liabilities	4,774.0	-	-	-
Total non-current liabilities	55,306,556.5	68,488,461.9	67,707,191.8	10,376,581.1
Total liabilities.....	192,932,062.5	269,453,855.1	307,659,644.3	47,150,903.3
Equity				
Share capital/Paid-in capital.....	5,339,715.8	5,339,715.8	5,339,715.8	818,347.2
Other equity instruments.....	1,700,000.0	800,000.0	2,141,770.0	328,240.6
Including: Perpetual Bond.....	1,700,000.0	800,000.0	2,141,770.0	328,240.6
Capital reserve	4,099,926.8	4,507,152.6	7,259,092.1	1,112,504.5
Less: Treasury shares.....	137,538.2	121,159.1	24,520.1	3,757.9
Other comprehensive income.....	1,410,705.7	2,392,387.8	2,466,456.3	378,001.0
Surplus reserve.....	936,688.6	1,463,900.8	1,922,651.5	294,659.2
Undistributed profit.....	9,831,266.6	12,985,084.2	17,816,890.7	2,730,558.0
Total equity attributable to parent company.....	23,180,765.4	27,367,082.1	36,922,056.4	5,658,552.7
Non-controlling interests.....	14,585,837.5	24,784,079.5	36,576,277.8	5,605,559.8
Total equity.....	37,766,602.9	52,151,161.6	73,498,334.2	11,264,112.5
Total liabilities and equity	230,698,665.4	321,605,016.7	381,157,978.5	58,415,015.9

RISK FACTORS

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

RISKS RELATING TO OUR GENERAL OPERATIONS

We are heavily dependent on the performance of the real estate market in the PRC.

We engage in property development in the PRC and our business and prospects are heavily dependent on the performance of the real estate market in the PRC. Any housing market downturn in the PRC generally or in the regions where we operate could adversely affect our business, results of operations and financial condition. As of December 31, 2020, we had a total of approximately 257 projects at various stages of development in approximately 23 provinces and regions, with a majority of them located in first-tier and second-tier cities such as Chongqing, Beijing, Guangzhou, Chengdu, Suzhou, Nanjing, Hefei, Zhengzhou, Wuhan, Tianjin, Jinan and Qingdao. Main geographical sources of our contracted sales were Chongqing, Chengdu, Hangzhou, Suzhou, Hefei, Wenzhou and Nanning as of December 31, 2020. There can be no assurance to investors that the demand for new properties in the regions and cities in the PRC where we operate or intend to expand will continue to grow or that prices will not deteriorate. Any decreased property demand is likely to affect the selling prices of our properties as well as the time it will take us to pre-sell or sell our properties. Lower selling prices, without a corresponding decrease in costs, will also adversely affect our gross profit and reduce cash flows generated from the sale of our properties, which may increase our reliance on external financing and negatively impact our ability to finance the growth of our business. Delays in selling properties will increase our selling and distribution costs as well as reduce the cash flows generated from the sale of our properties, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition, fluctuations of supply and demand in the PRC real estate market are caused by economic, social, political, regulatory and other factors that are outside of our control and there is no assurance that there will not be over-supply of properties or an economic downturn in the property sector in the cities and regions of the PRC. The PRC real estate market will also continue to be affected by economic, monetary, fiscal or other policies and measures implemented by the PRC government. See “– Risks Relating to our Property Development Business – The PRC government may adopt further measures to cool down the growth in the property sector.” Government policies aimed at reducing local government and corporate debt levels could also reduce liquidity in the economy, which in turn may affect the property market. If the PRC government implements macro-economic control or other measures that aim to curtail, or have the effect of curtailing, property demand or property development in the PRC, or if we fail to respond to changes in market conditions and government policies, in particular those related to our target markets, in a timely manner, our business, prospects, financial condition and results of operations would be materially and adversely affected.

Increasing competition in the PRC may adversely affect our business, prospects, financial condition and results of operations.

We operate in competitive markets, particularly in first-tier and second-tier cities in the PRC, and face increasing competition for capital, labor, location, facilities and supporting infrastructure, services, pricing, raw materials as well as acquisition and new business opportunities. Our existing and potential competitors include major domestic state-owned and private property developers in the PRC as well as developers from elsewhere in the world. Our competitors may have a longer operating history, stronger customer relationships, access to greater financial, technical, infrastructure, marketing or other resources and/or higher level of brand recognition than us. Some of our competitors may also, as a result of consolidation in their respective markets, become larger and be able to capitalize upon the extensive local knowledge, business relationships and longer track record of their integrated operations and enjoy greater economies of scale and efficiencies. Intensified competition between property developers may result in increased costs for land acquisition and raw materials, an oversupply of properties, a slowdown in the approval process for new property development projects by the relevant government authorities, an increase in construction costs or greater difficulty in obtaining high-quality contractors and qualified employees. There can be no assurance that we will be able to compete successfully in the future against our existing

or potential competitors or that increased competition with respect to our activities will not have an adverse effect on our business, prospects, financial condition and results of operations.

Our operating results may vary significantly from period to period.

For the years ended December 31, 2018, 2019 and 2020, our total revenue was RMB41,233.7 million, RMB67,773.4 million and RMB87,704.4 million (US\$13,441.3 million), respectively, and our gross profit for the year was RMB11,781.1 million, RMB19,543.3 million and RMB20,314.2 million (US\$3,113.3 million), respectively.

For the years ended December 31, 2018, 2019 and 2020, sale of properties accounted for approximately 92.2%, 93.1%, and 93.9% respectively, of our total revenue. Because we derive a significant portion of our revenue from the sale of properties, our results of operations are affected by a number of relevant factors, including timetables of our property development projects, timing of the sale of properties that we have developed, our operating revenue recognition policies and any volatility in expenses, such as raw material costs. The overall schedules of our property development and the number of properties that we can develop or complete during any particular period are limited to a certain extent due to the substantial capital expenditures associated with the acquisition of land, demolition and resettlement and construction. Sale of properties is subject to general market or economic conditions in the areas where we conduct our business, which can be cyclical, and the level of acceptance of our properties by prospective customers.

In addition, according to our accounting policy, we recognize operating revenue when (i) the property has passed the examination of the relevant authorities; (ii) the sale contracts have been signed; and (iii) the first installment has been received and payment arrangement of the remaining installments has been agreed, which may generally take one to two years after the commencement of pre-sales. Therefore, in periods in which we pre-sell a large GFA, we may not generate a correspondingly level of operating revenue if the properties pre-sold are not delivered within the same period. As such, the results of operations of our property development business may vary significantly from period to period. Period-to-period comparisons of our operating results may not be as meaningful as they would be for a company with a more stable recurring operating revenue stream.

Our business operations are capital intensive and any failure to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect our business and prospects.

Our business operations require substantial capital resources. As of December 31, 2020, our capital commitments, mainly for purchase of land use rights, amounted to RMB4,441.1 million (US\$680.6 million). We have historically met our capital requirements through a combination of (i) cash flows generated from our operating activities, (ii) proceeds of bank and other borrowings, (iii) issuance of debt securities, and (iv) private channel financing.

Our ability to generate sufficient operating cash flow is affected by a number of factors, such as our ability to carry on our business activities in an efficient manner, due performance of our contractors, results of our pre-sales or sales of completed properties, changes in general market conditions and the regulatory environment as well as competition. Any adverse change in any of these factors, which may be out of our control, may create capital shortfall. There is no assurance that our operating activities are able to generate sufficient cash to satisfy our cash needs at all times. See “– Risks Relating to Our General Operations – We have historically experienced net operating cash outflow.”

Insufficient cash flow generated from our operating activities will increase our reliance on external financing. As of December 31, 2020, we had credit facilities in a total amount of approximately RMB207.3 billion (US\$31.8 billion), of which approximately RMB145.8 billion (US\$22.3 billion) had not been utilized. Our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, many of which are beyond our control, including but not limited to:

- general economic and capital market conditions;
- changes in monetary policies with respect to bank interest rates and lending policy;
- interest rates and credit availability from banks or other lenders;
- investor confidence in us and the success of our business;

- our ability to obtain the PRC government approvals required to access domestic or international financing;
- provisions of tax and securities laws that may be applicable to our efforts to raise capital; and
- political and economic conditions in the PRC generally.

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

- forbid PRC commercial banks from extending loans to property developers to finance land premiums;
- restrict PRC commercial banks from extending loans for the development of luxury residential properties;
- restrict the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibit commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans; and
- forbid property developers from using borrowings obtained from any local banks to fund property developments outside that local region;

In addition, the People’s Bank of China (the “PBOC”) regulates the reserve requirement ratio for commercial banks in the PRC, which affects the availability and cost of financing from them. PBOC adjusted the bank reserve requirement ratio twice in 2012, twice in 2014, five times in 2015, once in 2016 and four times in 2018. The reserve requirement ratio for commercial banks was further reduced in January 2019 to range from 11.5% to 13.5%. In addition, the CBIRC and the PBOC jointly issued the Notice on Establishing the Concentration Management System on Property Loans from Financial Institutions in the Banking Industry 《關於建立銀行業金融機構房地產貸款集中度管理制度的通知》, effective on January 1, 2021, which imposes ceilings on property loans and personal mortgage loans granted by banking financial institutions, in a major move to further enhance control over real estate investments. Increases of the bank reserve requirement ratio and the new concentration management system may negatively impact the amount of funds available for lending to businesses, including us, by commercial banks in China. We cannot assure you that the PRC government will not introduce other measures which may limit our access to capital resources. The foregoing and other governmental actions and policy initiatives may limit our ability to use bank borrowings or trust and other borrowings to finance our property developments and, therefore, may require us to maintain a relatively high level of internally sourced cash or obtain funding at a higher cost.

There is no assurance that we will be able to renew our current credit facilities or secure additional financing, either on a short-term or a long-term basis, or that such financing will be obtained on terms favorable to us. If we are unable to obtain sufficient financing on a timely basis and at a reasonable cost, we may not be able to undertake new projects or implement them as planned. This would restrict our ability to grow and, over time, may reduce the quality and reliability of the service we provide and adversely affects our business, prospects, financial condition, and results of operations. In addition, substantial indebtedness may in turn increase the pressure on our liquidity and cause additional operational risks. See “– Risks Relating to Our General Operations – Substantial indebtedness may restrict our business activities and increase our exposure to various operational risks.

We have incurred substantial indebtedness and may continue to increase our indebtedness in future which may restrict our business activities and increase our exposure to various operational risks.

We rely on bank loans and proceeds from bond issuances to satisfy a portion of our capital requirements and we have had a significant amount of outstanding indebtedness. As of December 31, 2018, 2019 and 2020, our total outstanding indebtedness (comprising short-term and long-term borrowings⁹, non-current liabilities due

⁹ Short-term borrowings as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to the interest accrued as of the respective dates.

within one year¹⁰, long-term payables, bonds payable and perpetual bonds¹¹) was RMB83,739.3 million, RMB99,562.1 million and RMB99,805.5 million (US\$15,295.9 million), respectively. As of December 31, 2018, 2019 and 2020, RMB27,522.5 million, RMB31,652.9 million and RMB32,521.7 million (US\$4,984.2 million) would become due within 12 months, respectively. We may continue to increase our indebtedness to expand our development in the future. Our total outstanding indebtedness described above does not include our guarantees or indemnity obligations in respect of mortgage loans of purchasers of our property. See “– Risks Relating to Our Property Development Business – We guarantee the mortgages provided to our purchasers and consequently are liable to the mortgage banks if our purchasers default on their mortgage payments.” Further, our total outstanding indebtedness does not include our guarantees for loans of independent third parties, which is approximately RMB10,199.7 million, RMB11,729.2 million and RMB18,061.4 million (US\$2,768.0 million) as of December 31, 2018, 2019 and 2020, respectively.

As of December 31, 2020, RMB578.2 million (US\$88.6 million) of account receivables, RMB79,665.9 million (US\$12,209.3 million) of inventories, RMB2,966.8 million (US\$454.7 million) of long-term equity investments, RMB2,310.4 million (US\$354.1 million) of fixed assets and RMB8,618.2 million (US\$1,320.8 million) of investment properties, were provided as collateral for loan facilities. In addition, as of December 31, 2020, we pledged all or part of our shareholding interests in certain of our subsidiaries to secure various credit facilities. Third-party security rights may limit our use of the underlying collateral assets and adversely affect our operation efficiency. If we are unable to service and repay our debts under such loan facilities on a timely basis, we may lose control of our subsidiaries, the assets mortgaged or charged may be foreclosed, which may adversely affect our business, prospects financial condition, and results of operations.

In addition, substantial indebtedness could impact on our business in a number of ways, including but not limited to:

- requiring us to divert our operating cash flow to service our indebtedness;
- increasing our finance costs, thus affecting our overall profit;
- decreasing our financial flexibility in carrying on our business or responding to unexpected market changes;
- limiting, together with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increasing our vulnerability to adverse general economic and industry conditions.

Any of these implications could materially and adversely affect our ability to satisfy our obligations under outstanding financial obligations, such as the Notes after issuance.

Our five largest shareholders have pledged a portion of their equity interests in our Company to secure personal financial needs.

As of December 31, 2020, Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司), Guangdong Hongmin Enterprise Management Consulting Co., Ltd. (廣東弘敏企業管理諮詢有限公司), Mr. Huang Hongyun, Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司) and Jinke Property Group Co., Ltd. – No.1 Employee Stock Ownership Plan (金科地產集團股份有限公司 - 第一期員工持股計畫) (collectively, the “**Five Largest Shareholders**”), in aggregate held approximately 44.7% of our Company’s outstanding share capital. In order to secure their respective financial needs, as of December 31, 2020, the Five Largest Shareholders have in aggregate pledged as collateral up to 1,413,233,026 shares that they hold in our Company, representing approximately 26.5% of our Company’s outstanding share capital as of December 31, 2020. Consequently, any acceleration or default under such loan facilities could potentially result in a change of control of our Company.

In addition, a change of control of our Company, which may have been defined differently under various loan agreements, may constitute a default under such loan agreements, which could potentially trigger cross-default provisions in other financing agreements, including the Notes. If our Company is required to repay a

¹⁰ Non-current liabilities due within one year as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to our restricted stock repurchase obligation and the interest accrued as of the respective dates.

¹¹ Perpetual bonds are recorded under the line item “other equity instruments” in our consolidated balance sheets.

significant portion or all of its existing indebtedness prior to their maturity or if our Company is unable to borrow additional amounts under existing credit facilities, it may lack sufficient financial resources to make these payments or to fund other cash requirements, which would have a material adverse effect on our financial condition, results of operations and business prospects.

Significant inventories and other receivables may affect our liquidity and restrict our business activities.

As of December 31, 2018, 2019 and 2020, we had inventories of RMB160,834.9 million, RMB214,241.4 million and RMB234,652.7 million (US\$35,962.1 million), respectively, representing 69.7%, 66.6% and 61.6% of our total assets. Provisions have been made for inventory obsolescence based on the prevailing market conditions. However, any more stringent real estate adjusting and controlling policies issued by the PRC government in the future or changes in the national land policy may lead to a decline in the demand for commercial and residential properties, which in turn may adversely affect the value of our inventory and thus have an impact on our profitability. See “– Risks Relating to Our General Operations – We may need to adjust the valuation of our properties held for sale from time to time in response to market conditions and conditions of such properties, and any significant decrease in such valuation may materially and adversely impact our profitability.”

As of December 31, 2018, 2019 and 2020, our other receivables amounted to RMB13,022.8 million, RMB22,498.0 million and RMB30,525.7 million (US\$4,678.3 million), respectively, representing 5.6%, 7.0% and 8.0% of our total assets. For the year ended December 31, 2020, most of our other receivables comprise land bid deposits, current accounts with respect to our joint venture partners and/or project development partners. According to our accounting policies, we make provisions for overdue receivables on our balance sheet as a reserve against the future recognition of bad debt. There are various risks associated with our joint venture partners’ and project development partners’ ability to achieve profit or operate successfully, which affects their ability to make timely payments, and their failure to make timely payments could materially and adversely affect our liquidity and in turn affect our business, financial condition and results of operations. See “– Risks Relating to Our General Operations – We are subject to joint venture risks.”

We may need to adjust the valuation of our properties held for sale from time to time in response to market conditions and conditions of such properties, and any significant decrease in such valuation may materially and adversely impact our profitability.

We are required to reassess the fair value of our properties held for sale at every balance sheet date for which we issue financial statements. Although we make a comprehensive sales plan based on the condition, type and characteristic of each property in an effort to maximize its value, due to market conditions and conditions of the properties, some of our properties, such as self-holding properties and few parking spaces, are held for more than two or three years. As a result, we need to reassess the fair value of such properties annually and make accounting adjustments accordingly. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. Changes in the market conditions may cause significant decrease in the valuation of our properties held for sale in the future. In particular, the fair value of our properties held for sale could decline in the event that our industry experiences a downturn as a result of PRC government regulatory policies or a global economic downturn. All these factors are beyond our control. Any significant decrease in the fair value of our properties held for sale may materially and adversely impact our profitability.

We may not be able to obtain sites that are suitable for property developments at commercially suitable prices or at all.

We derive a substantial portion of our revenue from sales of properties that we developed. To maintain and grow our business in the future, we will have to replenish and increase our land bank with suitable sites at reasonable cost. As of December 31, 2020, we had a land bank¹² with total GFA of approximately 71.1 million sq.m. We expect competition among property developers in acquiring land suitable for property development to remain intense. Our ability to identify and acquire suitable sites is subject to a number of factors that are beyond our control. Our business, financial condition and results of operations may be materially and adversely affected if we are unable to obtain land sites for development at prices that allow us to achieve reasonable returns upon the sale of developed properties to our customers.

The PRC government controls land supply in the PRC and regulates land sales in the secondary market. As a result, PRC government policies toward land supply affect our ability to acquire land use rights for sites we identify for development and may increase costs of any acquisition. The PRC central and local governments may

¹² Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

regulate the means by which property developers, including us, obtain land sites for property developments. See “– Risks Relating to Our Property Development Business – We may not be able to obtain the land use right certificate for certain land parcels held for future development and may be subject to stricter payment terms for land use rights with respect to land we acquire in the future as a result of any additional restrictive regulation promulgated by the PRC government.” In addition, land prices in the PRC have increased significantly in recent years and may continue to increase in the future, and there may not be land available at reasonable cost or at all in attractive locations in our target cities for new development or re-development. If we fail to identify and acquire sufficient and appropriate sites in the future, such failure will result in uncertainties in our future development schedules, which in turn would have a material adverse effect on our future growth prospects, profitability and results of operations.

We may not be able to successfully manage our growth and may not be successful in expanding into new geographic markets or developing new property products.

We have been rapidly expanding our business in recent years. As part of our business strategy going forward, we may consider opportunities to expand our business into new geographic markets or to develop new property products in our current or future target markets. As of December 31, 2020, we have expanded our property development business into cities in approximately 23 provinces and regions, most of which are first-tier and second-tier cities in the PRC, including Chongqing, Beijing, Guangzhou, Chengdu, Suzhou, Nanjing, Hefei, Zhengzhou, Wuhan, Tianjin, Jinan and Qingdao. Furthermore, we have actively focused on the integration of our property development and property management businesses in a bid to become a “community living” service provider and expanded such an upgraded offering into other geographic areas with a total GFA under management of 35.7 million sq.m. in 2020 with a total coverage of 152 cities and regions and over 600 projects under management as of December 31, 2020. As we enter new markets, we may not have the same level of familiarity with local contractors, business practices, customs and customer tastes, behavior and preferences as compared to the cities where we have an established market presence. In addition, we may expand our business into other geographic areas where the local potential customers may not be familiar with our brand and we may face intense competition from more well-recognized developers in those areas. Any failure to leverage our successful experience in our existing markets or to understand new target markets may have a material adverse effect on our financial condition and results of operations.

We may also selectively pursue strategic acquisitions of or investments in project companies in our existing or new markets, which may entail expansion of our geographical footprint or entry into a new property product segment, if suitable opportunities arise. Any acquisition or investment may require a significant amount of capital investment and involve a series of risks, such as those of developing a new property product in which we have relatively little experience. As a result of the increase in payments relating to our investing activities for the year ended December 31, 2020, we recorded a net cash outflow from investing activities of RMB17,108.0 million (US\$2,621.9 million) for such period compared to RMB11,988.8 million for the year ended December 31, 2019. We may also have to address the challenges of integrating new businesses and the diversion of management’s attention and other resources. Our failure to address these risks may have a material adverse effect on our business, financial condition and results of operation. See “– Risks Relating to Our General Operations – Our acquisition activities expose us to various risks.” There can be no assurance that we can execute successfully our contemplated growth plan or that our expanded operations will generate adequate returns on our investments or positive operating cash flows.

As we continue to grow, we need to continue to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management-information system. To effectively manage our expansion, we need to continue to recruit and train managerial, accounting, internal audit, engineering, technical, sales and other staff to satisfy our development requirements. In order to fund our ongoing operations and our future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, we will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we are able to comply with our legal and contractual obligations and reduce our operational and compliance risks. There can be no assurance that we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations and/or training an increasing number of personnel to manage and operate the expanded business. Neither can we assure you that our expansion plans will not adversely affect our existing operations and thereby have a material adverse effect on our business, prospects, financial condition, and results of operations.

The transformation of our business model from a traditional property developer into an integrated provider of diversified real estate products and services may not be successful.

We have taken significant initiatives or made significant plans to implement our growth strategy of upgrading and evolving from a traditional property developer into a “quality living” provider. For example, we have diversified our property product portfolio into industrial real estate through investments in the comprehensive health, technology and culture tourism industries. We are also advocating a “community” concept which goes beyond our core property development business – a combined offering of real estate properties, property management services and other value-added services in the areas of community education, healthcare and finance. We are creating systematic platforms to better analyze customer data so as to improve our property management capabilities and anticipate customer needs. All of the foregoing involves or will involve various risks and uncertainties, including difficulties in gaining market recognition, possible inability to maintain competitiveness, insufficient experience with navigating different regulatory regimes or obtaining additional governmental approvals, and the diversion of resources and attention of our management. There can be no assurance that the planned transformation of our business model will progress and succeed as intended or at all. In the event that this long-term growth strategy fails to manifest as expected, our prospects may be materially and adversely affected.

Property owners may cease to engage us as the provider of property management services.

We provide property management services, through our wholly owned subsidiaries, Jinke Smart Services Group Co., Ltd. (金科智慧服務集團股份有限公司) (stock code: 9666.HK) (formerly known as Jinke Property Management Service Co., Ltd. (金科物業服務集團有限公司)) and Jinke Industrial Investment Development Co., Ltd. (金科產業投資發展有限公司), to occupants of residential properties, office buildings, hotels and educational institutions. We believe that property management is an integral part of our business and critical to the successful marketing and promotion of our property developments as well as an important source of revenue. Under PRC laws and regulations, the property owners of a residential development are entitled to change the property management service provider upon approval of a certain percentage of the property owners. If owners of the properties choose to terminate our property management services, or our property management services receive unsatisfactory reviews by property owners, our reputation and our results of operations could be materially and adversely affected.

We have limited experience in hotel management and wind energy investment and development and our results in these segments may be affected by our inexperience.

We believe our hotel management business primarily serves as a value enhancer to our brand and an organic component of our overall property market strategy to diversify our revenue streams. We currently manage six hotels, including Chongqing Jinke Liangjiang Grand Hotel (重慶金科兩江大酒店), Chongqing Kaizhou Jinke Grand Hotel (重慶開州金科大酒店), Wuxi Jinke City Hotel (無錫金科城市酒店), Suzhou Jinke Grand Hotel (蘇州金科大酒店), Chengdu Jinke Jincheng Shengjia Hotel (成都金科金辰聖嘉酒店) and Chongqing Jinke Tianyuandao Hotel (重慶金科天元道酒店). In addition, our new hotel, Chongqing Jinke Grand Hotel (重慶金科大酒店), will commence trial operation in August 2021. Notwithstanding, our experience in hotel management is relatively limited and we cannot assure you that we will be able to successfully leverage our experience in property development to meet challenges in the hotel management business. If we fail in our efforts, our financial condition and results of operations will be affected. Additionally, we may, from time to time, dispose of our hotels to improve our asset turnover ratio and overall profitability. Such increase in our net profit is not a guarantee of future performance of our business.

In addition, our wind energy investment and development business involves investment in and construction of renewable power projects, which generate electricity for sales. Currently, we own two wind farms in the PRC. In 2020, we expanded our business into provision of wind farm construction and instalment services. Similar to our hotel management experience, our experience in wind energy investment and development activities is also limited and various factors may present hurdles and obstacles, such as any failure to obtain required approvals from relevant regulatory authorities, any insufficiency in our capital financing and any impediment to our ability to timely construct and put our wind farms into commercial operation. We cannot assure you that we can implement our strategies and achieve our objectives as planned successfully.

We face uncertainties when obtaining land sites through the acquisition of project companies.

We have in the past, from time to time, obtained land sites for our projects through acquisition of project companies that held the land use rights, in addition to increasing our land bank through public tender, auction and

listing-for-sale. We may continue to obtain land sites through such acquisitions in the future. There is no assurance that we have discovered, or will be able to discover, all existing or potential liabilities of the target project companies. In addition, the government may effect a change in the permitted use of the land sites to which such project companies own the land use rights after our acquisitions, rendering the land sites unsuitable for our property development purposes. If any of the undiscovered existing or potential liabilities of the acquired project companies are found to be material, or if we are unable to develop properties on the land sites to which the acquired project companies have the land use rights, our business, financial conditions and results of operations may be materially and adversely affected. In addition, we may acquire such project companies for an amount that is less than their fair market value, resulting in gains recognized on our consolidated statements of comprehensive income. However, such gains do not give rise to any change to our cash position and therefore we may experience constraints on our liquidity even though our profitability increased.

Our acquisition activities expose us to various risks.

As part of our business strategy, we have pursued and may continue to pursue acquisitions of complementary assets and businesses. We cannot assure you that we will be able to identify additional suitable acquisition opportunities, negotiate acceptable terms or successfully acquire identified targets.

Our acquisition strategy involves inherent risks, including:

- unanticipated costs and assumption of liabilities and exposure to unforeseen liabilities of acquired business, including, but not limited to, environmental liabilities;
- difficulties in integrating the operations and assets of the acquired business and the acquired personnel;
- limitations on our ability to properly assess and maintain an effective internal control environment over an acquired business in order to comply with applicable periodic reporting requirements;
- limitations on our ability to manage an entirely new line of business that we have limited prior experience;
- potential losses of key employees and customers of the acquired business;
- risks of entering business markets in which we have limited prior experience;
- potential exposure to additional laws and regulations that we are not familiar with;
- limited synergy between the acquired business and our existing business; and
- increases in our expenses and working capital requirements.

The process of integrating an acquired business may involve unforeseen costs and delays or other operational, technical and financial difficulties that may require a disproportionate amount of management attention and financial and other resources. Our failure to achieve consolidation savings, realize the expected synergy effect, successfully incorporate the acquired businesses and assets into our existing operations or minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition and results of operations.

We are subject to joint venture risks.

We have formed joint ventures with other property developers to develop projects and may continue to do so in the future. We and our joint venture partners provided such amounts to the project companies in proportion to our shareholding percentages in order to fund the project companies' land acquisition and as working capital. Once these project companies obtain external borrowings or commence pre-sale and generate cash flow, they will repay the amounts due to us on demand. Therefore, the timing of such joint ventures' capital outlays may materially and adversely affect our results of operations.

The success of a joint venture depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures. In addition, in accordance with PRC law, certain matters relating to joint ventures require the consent of all parties

to the joint ventures. Joint ventures may involve risks associated with, among others, the possibility that our joint venture partners may:

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

In addition, since we do not have full control over the business and operations of our joint ventures, we cannot assure that they have been, or will be in strict compliance with all applicable PRC laws and regulations.

We cannot assure you that we will not encounter problems with respect to our joint ventures or our joint ventures will not violate applicable PRC laws and regulations, which may have an adverse effect on our business, results of operations and financial condition.

Our insurance coverage may not adequately protect us against all operating risks.

We face various operational risks in connection with our business, including:

- production interruptions caused by operational errors, electricity outages, raw material shortages, the failure of equipment and other production risks;
- operating limitations imposed by environmental or other regulatory requirements;
- work-related personal injuries;
- economic loss due to product reclaim;
- on-site production accidents;
- social, political and labor unrest;
- disruption in global capital markets and global economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods, mine collapses or other natural disasters.

To manage operating risks, we maintain insurance coverage of various kinds. Although we believe that our insurance coverage is consistent with the relevant industry practice in the PRC, there can be no assurance that all claims under the insurance policies will be honored fully or on time. In addition, we cannot assure you that the safety measures we have in place for our operations will be sufficient to mitigate or reduce industrial accidents, or that casualties or accidents will not occur, or that our insurance coverage would be sufficient to cover costs associated with accidents. Furthermore, we are generally unable to insure against certain types of losses, including losses caused by earthquakes, typhoons, floods, wars and riots, and we do not have business interruption insurance. To the extent that any loss or damage suffered is not covered by insurance or exceeds the limit of our insurance coverage, our results of operations and cash flow may be adversely affected. Please also see “– Risks Relating to Our Property Development Business – Our property development business may suffer certain losses not covered by insurance.”

The illiquid nature and the lack of alternative uses of investment properties could limit our ability to respond to adverse changes in the performance of our properties.

We currently hold several investment properties, which are, in general, relatively illiquid. As a result, our ability to promptly sell one or more of our investment properties in response to changing economic, financial and

investment conditions is limited. The property market is affected by many factors that are beyond our control, including general economic conditions, the availability of mortgage financing and interest rates, and we cannot accurately determine the market price of our investment properties nor are we able to predict whether we will be able to sell any of our investment properties at the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. In addition, investment properties may not be readily convertible for alternative uses without substantial capital expenditure if the original function of such investment property became unprofitable due to competition, age, decreased demand or other factors. Similarly, for certain investment properties to be sold, substantial capital expenditure may be required to correct defects or make improvements to the property due to factors such as change in building regulations or as a result of age, compounding the effort and time required. We cannot assure you that we will have funds available for these purposes. These factors and any others that would impede our ability to respond to adverse changes in the performance of our investment properties could adversely affect our business, financial condition and results of operations.

Our results of operations may be adversely affected as the fair value of our investment properties may fluctuate from time to time.

Our results of operations have historically been affected by adjustments in the estimated fair value of our investment properties. In accordance with our accounting policy, we are required to reassess the fair value of our investment properties at every balance sheet date for which we issue financial statements, and gains or losses arising from fair value changes and the relevant deferred tax should be accounted for in our income statements in the period in which they arise. Fair value gains or losses do not, however, change our cash position as long as the relevant investment properties are held by us, and accordingly do not increase our liquidity in spite of the increased profit represented by any fair value gains. For the years ended December 31, 2018, 2019 and 2020, we had fair value gains on our investment properties of RMB66.4 million, RMB95.9 million and RMB464.3 million (US\$71.2 million), respectively.

Property valuation involves the exercise of professional judgment and requires the use of certain basis and assumptions. Favorable or unfavorable changes in the assumptions of market conditions used by our independent property valuer would result in changes to the fair value of our investment properties and corresponding adjustments to the amount of gains or losses reported in our income statement in the future. In addition, the amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. Macroeconomic factors, including economic growth rate, interest rate, inflation rate, urbanization and disposable income level, in addition to any government regulations, can substantially affect the fair value of our investment properties and affect the supply and demand in the PRC property market. Many of these factors are beyond our control and there can be no assurance that changes in market conditions will continue to create fair value gains on our investment properties at the historical levels, or that the fair value of our investment properties will not decrease in the future.

Our financial condition and results of operations may be affected by material fluctuations of interest rates.

We have substantial bank loans outstanding. As of December 31, 2020, the aggregate outstanding amount of our bank loans amounted to approximately RMB51.9 billion (US\$8.0 billion). Substantially all of our bank loans bear interest that accrue at rates linked to the benchmark lending rates published by the PBOC. A material fluctuation in the benchmark lending rates may have a material impact on our interest expenses and payables under our bank loans and in turn negatively affect our financing costs and results of operations. PBOC from time to time adjusts interest rates as implementation of its economic and monetary policies. Since the outbreak of the global financial crisis in 2008, PBOC started to lower the benchmark lending rates with an aim to encourage lending, increase liquidity in the market and promote the recovery of China's economy. In recent years, a perceivable slowdown in the growth of the PRC economy again caused the PRC government to adopt more liberal monetary policies with the aim to stimulate the country's economic development. Since 2012, PBOC for a number of times reduced the benchmark one-year lending rate to 4.35% as of October 24, 2015 and onwards. We cannot assure you that PBOC will decrease the benchmark one-year lending rate or that the interest rates at which financing will be available to us or our customers will decrease in the future. In addition, we cannot predict if and when interest rate in the PRC may increase. Any increase in interest rates will increase our finance costs and also increase the costs of our customers to purchase our properties with mortgages and therefore adversely affect our business, financial conditions and results of operation.

We are exposed to and subject to a significant number of laws and regulations.

Our activities are exposed and subject to extensive laws and regulations governing various matters. These include laws and regulations relating to bribery and corruption, taxation, antitrust, financial markets regulation,

environmental protection, management and use of hazardous substances and explosives, management of natural resources, licenses over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, labor and occupational health and safety standards, and historical and cultural preservation. The terms attaching to any permit or license to operate may be onerous.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of our past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. Any changes to these laws or regulations or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure to be incurred or impose restrictions on or suspensions of our operations and delays in the development of our properties. Failure to obtain or renew a necessary permit could mean that we would be unable to proceed with the development or continued operation of an asset.

Our Company, subsidiaries and the companies in which we hold investments are generally required, under applicable laws and regulations, to seek governmental licenses, permits, authorizations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those beyond our control. In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not limited to, environmental laws, the imposition of higher license fees or taxes), compliance with which could be expensive or onerous. See also “– Risks Relating to Our Property Development Business – Our property development business is subject to legal and business risks if our subsidiaries fail to obtain or renew our qualification certificates.”

Our risk management and internal control systems may not be adequate or effective in identifying or mitigating the risks to which we are exposed.

We have been devoted to establishing risk management and internal control systems consisting of an organization framework, policies, procedures and risk management methods that we consider to be tailored to the operations of each of the relevant business segments. However, there is no assurance that our systems may be adequate or effective in identifying and mitigating our risk exposure in the market environments related to the relevant business segments or against all types of risks that the relevant business segments may be exposed to. Any failure of such systems to perform their functions as necessary and envisaged may result in an adverse effect on our operations, which in turn could negatively impact our business, results of operations and financial condition.

We may not be able to fully detect money laundering and other illegal or improper activities in our business operations on a timely basis.

We are required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in the PRC and other relevant jurisdictions. The PRC’s anti-money laundering law requires financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require us, among other things, establish a customer identification system in accordance with the relevant rules, record the details of customer activities and report suspicious transactions to the relevant authorities. While we have adopted policies and procedures aimed at detecting and preventing the use of our business vehicles to facilitate money laundering activities and terrorist acts, such policies and procedures in some cases have only been recently adopted and may not completely eliminate instances in which it may be used by other parties to engage in money laundering and other illegal activities. We may also be exposed to fraud or other misconduct committed by our employees, representatives, agents, customers or other third parties that could subject us to litigation, financial losses and sanctions imposed by governmental authorities, which in turn affects our reputation. In the event that we fail to detect money laundering or other illegal or improper activities or fail to fully comply with applicable laws and regulations, the relevant government agencies may conduct investigations on our business and senior management, freeze our assets or impose fines or other penalties on us. Any of these may materially and adversely affect our business reputation, financial condition and results of operations.

Our shareholder has significant influence in determining the outcome of major corporate transactions that require shareholders' approvals and may take actions that may conflict with the interest of the holders of the Notes.

As of December 31, 2020, Mr. Huang Hongyun (together with Ms. Tao Hongxia and Ms. Huang Sishi, as persons acting in concert) beneficially owned a 29.99% interest in our Company. Mr. Huang Hongyun is our actual controller. See "Principal Shareholders." By virtue of his controlling interest as well as his majority position on our board of directors, Mr. Huang has and will continue to have the ability to exercise a dominant influence in determining the outcome of any corporate transactions or other matters submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, the election of directors and other significant corporate actions. His interests may differ from our interests or the interests of our creditors, including the holders of the Notes. In situations presenting a conflict of interests, we may be prevented from entering into transactions that could be beneficial to us or holders of the Notes, and the value of your investments in the Notes may be adversely affected.

Our sustainable success largely depends on our senior management and professional employees.

Our sustainable success depends heavily on our current senior management team. In light of our diversified business portfolio, we depend on the continued service of our executive officers and other skilled managerial and technical personnel. Competition for qualified personnel in the industries where we operate is intense. Our businesses and financial condition may suffer if we lose the services of a number of key personnel and are not able to recruit quality replacements. Furthermore, as our businesses continue to grow, we will need to recruit and train additional qualified personnel. While we have implemented certain measures aiming to promote effective recruitment and retention of our employees, we cannot assure you that these measures will be effective. If we fail to attract and retain key members of the senior management team or key qualified personnel, our businesses and financial condition may also be materially and adversely affected.

Any failure to protect our brand, trademarks and other intellectual property rights could have a negative impact on our business.

We believe our brand, trademarks and other intellectual property rights are integral to our success. We believe our brand has gradually gained significant recognition in the PRC and the success of our business depends in part on our continued ability to use and promote our brand and trademarks. Any negative incident or negative publicity concerning us or our property developments could adversely affect our reputation and business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents that degrade consumers' trust. Consumer demand for our products and our brand value could diminish significantly if we fail to preserve the quality of our products, or fail to deliver a consistently positive consumer experience in each of our properties, or if we are perceived to act in an unethical or socially irresponsible manner. In addition, any unauthorized use or infringement of our brand name may impair the value we have built in our brand name, damage our reputation and adversely affect our business, prospects, financial condition and results of operations.

While we have from time to time applied for registration of additional trademarks in the PRC, some of these applications may be challenged and we cannot assure you that all of our applications for trademark registration will be approved by the relevant authorities. We rely on the intellectual property laws in the PRC to protect our intellectual property and any unauthorized use of such intellectual property could adversely affect our business and reputation. Historically, the PRC has not protected intellectual property rights to the same extent as certain other developed countries do, and infringement of intellectual property rights continues to pose a serious risk to doing business in the PRC. Moreover, monitoring and preventing the unauthorized use of our intellectual property is difficult. The measures we take to protect our brand, trademarks and other intellectual property rights may not be adequate to prevent their unauthorized use by third parties. Any litigation or dispute in relation to our trade names or trademarks could result in substantial costs and the diversion of resources. Furthermore, the application of laws governing intellectual property rights in the PRC is uncertain and evolving and if we are unable to adequately protect our brand, trademarks and other intellectual property, we may lose these rights and our business, prospects, financial condition and results of operations may suffer materially.

We rely heavily on information technology systems for our business and any information technology system limitations or failures could adversely affect our business, financial condition and results of operations.

Our business depends on the integrity and performance of the business, accounting and other data processing systems at the holding company and at our subsidiaries, and we could experience unanticipated disruptions in business, slower response times and limitation on our ability to monitor and manage data and risk

exposures, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and intervention of regulatory authorities. Although our systems have not experienced major systems failures and delays in the past, there is no assurance that our systems would not experience future systems failures and delays, or the measures taken by us to reduce the risk of system disruptions are adequate. If internet traffic and communication volume increase unexpectedly or other unanticipated events occur, we may need to expand and upgrade our technology, systems and network infrastructure. There is no assurance that we will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade our systems and infrastructure to accommodate any increases in a timely manner.

We have been and may continue to be involved in disputes, administrative, legal and other proceedings arising out of our operations and may face significant penalties or liabilities or suffer damage to our reputation as a result.

We may from time to time be involved in disputes with governmental entities, contractors, suppliers, construction workers, purchasers, tenants, employees and other third party service providers during the course of our daily operations. Claims may be brought against certain relevant subsidiaries or ourselves based on a number of causes such as defective or incomplete work, personal injuries, property damages, defective goods, breach of warranty or delay in completion and delivery projects. In addition, we may bring up claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors. If the disputes or claims are not resolved or settled through negotiation or mediation, we may be involved in lengthy and costly litigation or arbitration proceedings, which may result in damage to our reputation, substantial costs and diversion of our financial and managerial resources. In the event that we prevail in those legal proceedings, there is no assurance that the judgment or awards will be effectively enforced. If a judgment or award is rendered against us, the amounts payable by us may not be fully covered by our insurance, and the amounts could differ from the provisions made by us based on our estimates. Any material charges associated with claims brought against us and material write-downs associated with our claims could have a material adverse impact on our financial condition and results of operations.

In addition, we may have compliance issues with regulatory bodies in the course of our operations, which may subject us to administrative penalties, administrative proceedings and unfavorable decrees that result in liabilities and cause delays to our property developments. For example, on May 20, 2019, we received an inquiry letter (the "**May 2019 SSE Letter**") from the Shenzhen Stock Exchange in relation to certain operating and financial matters disclosed in our annual report for the year ended December 31, 2018. The May 2019 SSE Letter requested us to provide clarification disclosures regarding our profit, financial cost, operating cash flow, indebtedness and liquidity, related party, inventory, payment to and from joint ventures and associates, capitalized interest, shareholding by management, investment by management and employees, available for sale financial assets and other matters. Our independent auditor, Pan China CPA, submitted a letter to the Shenzhen Stock Exchange in response to such inquiries on May 24, 2019 and we also submitted our responses to the May 2019 SSE Letter on May 29, 2019. In addition, on July 10, 2019, we received a letter of concern (the "**July 2019 SSE Letter**") from the Shenzhen Stock Exchange in relation to our acquisition of Chongqing Xingkun Real Estate Development Co., Ltd., which constituted a related party transaction, and the information disclosed in the relevant announcement issued by us. The July 2019 SSE Letter required us to provide further clarificatory details regarding the acquisition and the target company, as well as requested for the opinions and views of our Company's independent directors as to certain queries. As of the date of this offering memorandum, since the July 2019 SSE Letter, we have not received any additional inquiry, follow-up questions or other communication from the Shenzhen Stock Exchange. We cannot assure you that the Shenzhen Stock Exchange will not have further inquiries or take other actions against us.

We have distributed significant dividends to our shareholders in 2018, 2019 and 2020 and may continue to designate a large portion of our net profit to be distributed to our shareholders as cash dividends in the future, subject to applicable laws and regulations.

For the years ended December 31, 2018 and 2019, we declared and paid out cash dividends of approximately RMB1,918.3 million and RMB2,399.3 million to our Company's ordinary shareholders, which represented 47.7% and 37.7% of our Group's total net profit for the same periods. For the year ended December 31, 2020, we declared cash dividends of RMB2,399.1 million (US\$367.7 million) to be paid to our Company's ordinary shareholders, representing 24.7% of our Group's total net profit for the year. PRC laws and regulations permit payment of dividends out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with IFRS in certain significant respects, including the use of different bases of recognition of revenue and expenses. A key element of our Group's philosophy is to enhance shareholder value, and we believe the rewarding of our shareholders in the

form of dividend distribution will allow them to participate directly in our success. As such, we may decide to continue to declare and pay out cash dividends in the future, subject to compliance with applicable laws and regulations. However, there is no assurance that we will have sufficient cash flows to do so, particularly given our substantial capital commitments and if a fair balance between such distribution and retained earnings is not maintained, which in turn could have an adverse effect on our growth strategy.

RISKS RELATING TO OUR BUSINESS

Our business is subject to legal and business risks if our subsidiaries fail to obtain or renew our qualification certificates.

A property developer in the PRC must obtain a valid qualification certificate in order to engage in property development in the PRC. In addition, at different stages of project development, the PRC developer must also obtain various licenses, certificates, permits and approvals from the relevant PRC administrative authorities, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion.

According to the Provisions on Administration of Qualification Certificates of Property Developers (《房地產開發企業資質管理規定》) issued by the Ministry of Construction (now the Ministry of Housing and Urban-Rural Development), a newly established developer must first apply for a temporary qualification certificate valid for one year, which can be renewed for a maximum of additional two-year period, by which time a formal qualification certificate must have been issued. Property developers of different grades are subject to different limitations on scale of development in respect of their projects. In reviewing such applications, the relevant authority generally considers the length of time property developers engaged in real estate development industry, property development investments, history of property development, quality of property construction, expertise of the developer's management, and whether the property developer has any illegal or inappropriate operations. Formal qualification certificates are subject to renewal on an annual basis. Government regulations require developers to fulfill all statutory requirements before obtaining or renewing their qualification certificates.

We conduct our property development activities through project companies. These project companies must hold valid qualification certificates to be able to conduct their businesses. If any of these project companies is unable to meet the relevant requirements for obtaining or renewing its qualification certificate, that company will be given a cure period within which it must rectify any insufficiency or non-compliance with such requirements, subject to a penalty of between RMB50,000 and RMB100,000, otherwise the business license will be revoked. There can be no assurance that all of our project companies will be able to pass the annual verification regarding qualification certificates or that all of our project companies will be able to obtain formal qualification certificates in a timely manner, or at all, as and when they expire. If any of our project companies is unable to obtain or renew its qualification certificate, such company may not be permitted to continue its operation, which could materially and adversely affect our business, prospects, financial condition and results of operations.

In addition to the above, we cannot assure you that we will not encounter significant problems in satisfying the conditions to, or delays in, the issuance or renewal of other necessary licenses, certificates, permits or approvals. There may also be delays on the part of the administrative bodies in reviewing and processing our applications and granting licenses, certificates, permits or approvals. If we fail to obtain the necessary governmental licenses, certificates, permits or approvals for any of our major property projects, or a delay occurs in the government's examination and review process, our development schedule and our sales could be substantially delayed, resulting in a material and adverse effect on our business, results of operations and financial condition.

The PRC government may adopt further measures to cool down the growth in the property sector.

Starting from the second half of 2009, residential property prices in certain cities in the PRC rose rapidly. In order to prevent the overheating of the property market and the possible formation of a speculative bubble, the PRC government introduced a series of regulatory measures in an effort to stabilize the real estate market and facilitate its sustainable development, including raising the down payment ratio and residential mortgage loan interest rate, limiting the number of houses that a single household may purchase, increasing the supply of affordable housing to low- and middle-income families, increasing the supply of public housing to targeted populations, restricting foreign investments in properties in the PRC, abolishing the preferential business tax treatment on transfer of ordinary housing within five years and launching new property tax schemes in certain cities.

In previous years, the property market in the PRC has witnessed signs of a slowdown, with some developers reported to have lowered prices in order to stimulate sales and some local governments reported to have relaxed property purchase restrictions previously imposed as cooling measures to help boost demand. More recently, however, due to a strong increase in prices starting early 2016, local governments and developers in certain cities have implemented measures to suppress the level of increase in property prices, such as tightening mortgage restrictions on second home purchases. Starting in March 2017, several cities such as Guangzhou, Shenzhen, Suzhou and Hangzhou adopted more strict measures of restrictions on second home purchase and mortgage strategies. We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. These measures may limit our access to capital resources, reduce market demand for our products and increase our operating costs in complying with these measures. If we fail to adapt our operations to such new policies, regulations and measures that may come into effect from time to time, our business prospects, financial condition and results of operations may be materially and adversely affected.

We may not be able to obtain the land use right certificates for certain land parcels held for future development and may be subject to stricter payment terms for land use rights with respect to land we acquire in the future as a result of any additional restrictive regulations promulgated by the PRC.

As of December 31, 2020, we have obtained the land use right certificates for most of our land parcels. However, there can be no assurance that we will always be able to obtain the land use right certificate with respect to all of our land parcels in a timely manner, or at all. If we fail to do so, we may not be able to acquire new replacement land on terms acceptable to us, or at all, which would have a material adverse effect on our business, prospects, financial condition and results of operations.

On September 28, 2007, the Ministry of Land and Resources (the “MLR”, which was merged into the Ministry of Natural Resources in March 2018) amended the Regulation on the Grant of State-Owned Land Use Rights by Way of Tender, Auction or Listing-for-Sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) effective November 1, 2007. This regulation provides, among other things, that property developers must pay the relevant land grant fees in full according to the provisions of the relevant land grant contract for all land parcels under the contract before they can receive the land registration and land use right certificates. As a result, effective November 1, 2007, property developers are not allowed to bid for a large piece of land, make partial payment, and then apply for land registration and a land use right certificate for the corresponding portion of land in order to commence development, which has been the past practice in many Chinese cities. On November 18, 2009, five government authorities, including the Ministry of Finance and the MLR, issued the Notice on Further Strengthening the Income and Expenditure Management Relating to Land Grants (《關於進一步加強土地出讓收支管理的通知》) to regulate the management of income and expenditure on land grants and curb excessive increases in land prices. In particular, the notice requires property developers to provide a down payment of no less than 50% of the land grant fee and, generally, to pay the remaining balance in installments within one year.

On March 8, 2010, the MLR issued the Notice on Further Increasing the Supply and Strengthening the Supervision of Land for Property Development Purposes (《國土資源部關於加強房地產用地供應和監管有關問題的通知》), which reiterates and reinforces certain measures on land supply and land use. For example, the PRC government set the minimum land premium at no less than 70% of the benchmark price of the locality where the parcel of land is granted, and the bidding deposit at no less than 20% of the minimum land premium. Additionally, a land grant contract is required to be entered into within 10 working days after the land grant deal is closed, and the down payment of 50% of the land premium is to be paid within one month of signing the land grant contract, with the remaining to be paid in full within one year of the date of the land grant contract in accordance with provisions of such land grant contract, subject to limited exceptions. Such change of policy may constrain our cash otherwise available for additional land acquisition and construction. As a result, we are required to maintain a higher level of working capital and may be restricted in our ability to expand our land reserve as planned. In addition, we cannot assure you that the PRC government will not adopt any additional regulations to impose stricter payment terms for land acquisition by property developers. If this occurs, our cash flow position, financial condition or business plans could be materially and adversely affected.

The total GFA of some of our developments may exceed the original permitted GFA and the excess GFA is subject to governmental approval and payment of additional land premium.

The permitted total GFA for a particular development is set out in various governmental documents issued at various stages. In many cases, the underlying land grant contract will specify permitted total GFA. Total GFA is also set out in the relevant urban planning approvals and various construction permits. If constructed total GFA exceeds the permitted total, or if the completed development contains built-up areas that the authorities believe do not conform to the approved plans as set out in relevant construction works planning permit, we may not be able

to obtain the acceptance and compliance form of construction completion (《竣工驗收表》) for the development, and as a consequence we would not be in a position to deliver individual units to purchasers or to recognize the related presale proceeds as operating revenue. Moreover, excess GFA requires governmental approval and the payment of additional land premium. We may also be subject to liability to purchasers under our sales and purchase agreements.

There can be no assurance that constructed total GFA for each of our existing projects under development or any future property developments will not exceed permitted total GFA for that development, or that the authorities will not determine that all built-up areas conform to the plans approved as set out in the construction permit. Moreover, we cannot assure you that we would have sufficient funding to pay any required additional land premium or to pay for any corrective action that may be required in a timely manner, or at all. Any of these circumstances may materially and adversely affect our reputation, business, results of operations and financial condition.

The PRC government may impose fines on us or take back our land if we fail to develop a property according to the terms of the relevant land grant contract.

Under PRC laws and regulations, if a developer fails to develop a property according to the terms of the relevant land grant contract, including those relating to the payment of land premium, demolition and resettlement costs and other fees, the specified use of the land and the time for commencement and completion of the development, the PRC government may issue a warning to or impose a penalty on such developer, and/or take back its land. Any violation of the land grant terms may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Specifically, under current PRC laws and regulations, if we fail to pay any outstanding land grant premium on time, we may be subject to a late payment penalty of 0.1% of the outstanding balance for every day of delay in payment according to the terms of the relevant land grant contract. In addition, pursuant to the Notice on Promoting Economization of Land Use (《關於促進節約集約用地的通知》) issued by the State Council of the PRC (the "State Council") in January 2008, (i) the PRC government may impose an idle land fee equal to 20.0% of the land premium or allocation fees if we do not commence construction for more than one year but less than two years after the date specified in the relevant land grant contract, (ii) banking institutions shall grant loans and sanction financing prudently and control renewal loan and credit business strictly if total constructed GFA is less than one-third of the total proposed GFA for the development or the capital invested in the development is less than one-fourth of the total investment approved for the development for more than one year after the date specified in the relevant land grant contract, and (iii) the PRC government has the authority to take back the land without compensation to us, if we do not commence construction for more than two years after the date specified in the land grant contract, unless the delay is caused by force majeure or governmental action. In September 2010, the MLR and the Ministry of Housing and Urban-Rural Development (the "MOHURD") jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction (《關於進一步加強房地產用地和建設管理調控的通知》), which provides that a property developer and its shareholders will be prohibited from participating in land bidding before any illegal behavior in which it engages, such as (1) having land idle for more than one year due to its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation, has been completely rectified.

As of December 31, 2020, we had outstanding unpaid land grant premiums of RMB4,014.7 million¹³ (US\$615.3 million), but there was no delay in the commencement of construction or the development of our properties. There is no assurance that there will be no significant delays in the commencement of construction or the development of our properties in the future, or that our developments will not be subject to idle land penalties or be taken back by the government as a result of such delays. The imposition of substantial idle land penalties could have a material and adverse effect on our business, results of operations and financial condition. If any of our land is taken back by the government, we would not only lose the opportunity to develop the property, but we would also lose our prior investments in the development, including land premiums paid and costs incurred in connection with such land.

¹³ Including amounts related to properties for which we had obtained land use right certificates and are consolidated into our financials.

We may not be able to complete our property development projects according to schedule time or budget.

Property development projects require substantial capital expenditure prior to and during the construction period and it may take over a year before a project generates positive cash flows through pre-sales or sales. The progress of, and costs for, a development project can be adversely affected by many factors, including:

- delays in obtaining licenses, permits or approvals as required by government authorities;
- changes in government policies or in applicable laws or regulations;
- delays in or increased costs of relocation of existing site occupants or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents;
- disputes with or delays caused by our contractors or sub-contractors;
- delays in the construction of supporting infrastructure or completing land clearing work by the local government authorities;
- adverse weather conditions and natural disasters, including earthquakes, ice storms and other natural hazards;
- changes in market conditions;
- unforeseen engineering, design, environmental, structural or geographic problems;
- discovery of historic and cultural relics in the construction site;
- widespread diseases or epidemics, including Severe Acute Respiratory Syndrome, H5N1 flu, H1N1 flu and other diseases; and
- other unforeseen problems or circumstances.

Construction delays or the failure to complete the construction of a project according to our planned specifications, schedule or budget as a result of the above factors may result in increased costs, harm to our reputation, loss of or delay in recognizing operating revenues and lower returns. Such delays or failure to complete may also result in violation of the applicable land regulations or a breach of the relevant land grant contracts, which could materially and adversely affect our business, prospects, financial condition and results of operations and subject us to various penalties, including forfeiture of land. Moreover, if a pre-sold property development is not completed on time, the purchasers of the presold units may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may even be entitled to terminate the pre-sale agreements and claim damages. Please also see “– Risks Relating to Our Property Development Business – We are exposed to risks relating to the pre-sale of properties, and changes in laws and regulations with respect to the pre-sale of properties may materially and adversely affect our business, prospects, financial condition and results of operations.”

During the years ended December 31, 2018, 2019 and 2020, we had not experienced any significant delays in completion or delivery of our projects. However, there is no assurance that we will not experience any significant delays in completion or delivery in the future or that we will not be subject to any liabilities for any such delays or other issues with respect to any of our projects. See “– Risks Relating to Our Property Development Business – We may be adversely affected by the performance of independent contractors.”

Our business, prospects, financial condition and results of operations may be materially and adversely affected by increases in the cost of labor and construction materials.

Construction and development costs account for the majority of our cost of sales and are one of the significant factors affecting our business, prospects, financial condition and results of operations. In general, our labor and construction materials costs are included in the contract fee payable to our contractors, who are generally

responsible for procuring the required labor and construction materials. However, due to the rapid growth in the property development industry in recent years in the PRC, wages for construction workers and the prices of construction materials and building equipment have substantially increased. Should there be a price fluctuation, we do not re-negotiate existing construction contracts with the contractors but we may make an upward adjustment of labor costs to be paid depending on prevailing market prices and subject to certain conditions, or take into account price differences in construction materials and make adjustments prior to commencement of construction. We are also exposed to the price volatility of labor and construction materials to the extent that we periodically enter into new or renew existing construction contracts at different terms during the life of a project, which may span over several years, or if we choose to hire the construction workers directly or purchase the construction materials directly from suppliers. Furthermore, we typically pre-sell our properties prior to their completion and we will be unable to pass the increased costs on to purchasers of our properties if the construction costs increase subsequent to the time of such pre-sale. If we are unable to pass on any increase in the cost of labor and construction materials to either our contractors or our customers, our results of operations may be adversely affected by the cost volatility of labor and construction materials.

We may be adversely affected by the performance of independent contractors.

We engage independent contractors to provide various services, including construction, piling and foundation, engineering, interior decoration, mechanical and electrical installation and utilities installation. Purchases attributable to our construction contractors account for a significant amount of our costs, and for the years ended December 31, 2018, 2019 and 2020, approximately 18.8%, 7.8% and 7.1%, respectively, of our total purchases were attributable to our five largest construction contractors, and approximately 6.0%, 1.1% and 2.2%, respectively, of our total purchases were attributable to our largest construction contractor.

We generally select contractors through public tenders. We typically invite selected contractors to tender bids based upon their reputation for quality, track record and references, and supervise the construction progress once the contract is awarded. However, there is no assurance that the services rendered by any of these independent contractors or subcontractors will always be satisfactory or match our requirements in terms of timeframe and quality. If the performance of any independent contractor is not satisfactory, we may need to replace that contractor or take other remedial actions, which could increase the cost and lengthen the time required to complete the work and the whole project. In addition, we are expanding our business into other regional markets in the PRC, and there may be a shortage of contractors that meet our quality requirements in such markets. Contractors may undertake projects for other developers, engage in risky or unsound practices or encounter financial or other difficulties, which may affect their ability to complete their work for us on time or within budget. Any of the above factors could have a material and adverse effect on our reputation, business, financial condition and results of operations.

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

Under Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》), all property development companies in the PRC must provide certain quality warranties for the properties they develop or sell. We are required to provide these warranties to our customers. We may sometimes receive quality warranties from our third-party contractors with respect to our development projects. If a significant number of claims are brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, we could incur significant expenses to resolve such claims or face delays in correcting the related defects, which could in turn harm our reputation and have a material and adverse effect on our business, financial condition, and results of operations.

We may be liable to our customers for damages if we fail to assist them in obtaining individual property ownership certificates in a timely manner.

We are typically required to obtain a general property ownership certificate for each of our completed projects. In addition, we generally have to assist our customers in obtaining their individual property ownership certificates within 90 days of delivering the properties unless otherwise specified in the relevant sale and purchase agreements. In general, we elect to specify the deadline to apply for the individual property ownership certificates upon the provision of the necessary documents by the customers in the sale and purchase agreements to allow sufficient time for the application and approval processes.

Under current PRC laws and regulations, we are typically required to submit the proofs of certain government approvals, permits and certifications in connection with our property developments, including those evidencing our land use rights and various planning and construction permits, to the local bureau of land and

resources and housing administration within three months after the receipt of the certificate of completion in respect of the relevant properties and apply for the general property ownership certificate in respect of such properties. We are then required to submit, within certain periods after delivery of the properties, the sale and purchase agreements relating to such properties, the identification documents of the purchasers and the proof of payment of deed tax, together with the general property ownership certificate, for the relevant local authority's review and for the issuance of individual property ownership certificates in respect of the properties purchased by the respective purchasers. Delays by the various administrative authorities in reviewing the application and granting approval as well as other factors may affect timely delivery of the general as well as individual property ownership certificates. Property developers, including us, may become liable for monetary penalties to purchasers for late delivery of the individual property ownership certificates due to delays in the administrative approval processes or for any other reason beyond our control. There is no assurance that we will be able to timely deliver all property ownership certificates in the future or that we will not be subject to any liabilities as a result of any late deliveries of property ownership certificates.

We are exposed to risks relating to the pre-sale of properties, and changes in laws and regulations with respect to the pre-sale of properties may materially and adversely affect our business, prospects, financial condition and results of operations.

Proceeds from the pre-sales of our properties are an important source of funds for the respective property developments and have an impact on our cash flow and liquidity position. For the years ended December 31, 2018, 2019 and 2020, our total contracted sales¹⁴ amounted to approximately RMB115.6 billion, RMB181.4 billion and RMB217.8 billion (US\$33.4 billion), respectively. Although our recorded contracted sales of RMB217.8 billion (US\$33.4 billion) for the year ended December 31, 2020 represented an increase of approximately 20.1% compared to the same period in 2019, there is no assurance that we will be able to maintain the historical growth of our contracted sales, which may be negatively impacted by a weaker real estate market, economic downturn or more stringent regulations.

Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sales of properties and may use pre-sale proceeds only to finance the development of such properties. Changes in such laws and regulations which restrict or ban the pre-sale of properties, such as imposing additional conditions for obtaining a pre-sale permit or further restrictions on the use of pre-sale proceeds, may materially and adversely affect our cash flows and require us to obtain alternative sources of funding for our business, which may not be readily available. This, in turn, could have a material and adverse effect on our business, financial condition and results of operations.

In addition, we make certain undertakings in our pre-sale contracts and our pre-sale contracts and relevant PRC laws and regulations provide for remedies for breach of these undertakings. For example, if we fail to complete a property that we have pre-sold by the agreed delivery time, we will typically be liable to the purchasers for their losses and such purchasers may seek compensation for late delivery pursuant to the pre-sale contracts or PRC laws and regulations. If our delay extends beyond a specified period, the purchasers may terminate the pre-sale contracts and claim for damages. In addition, unless otherwise provided for in the pre-sale contract, a purchaser may also terminate a pre-sale contract with us if the GFA of the relevant unit, as set out in the individual property ownership certificate, deviates by more than 3% from the GFA of that unit set out in the pre-sale contract. There cannot be any assurance of the timely completion or delivery of our projects. If a substantial number of purchasers claim against us for breach of contract or terminate their pre-sale contracts with us, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We guarantee the mortgages provided to our purchasers and consequently are liable to the mortgagee banks if our purchasers default on their mortgage payments.

We assist purchasers of properties in obtaining mortgage loans from various domestic banks. In accordance with market practice, domestic banks require us to provide short-term guarantees for these mortgages. Substantially all of these guarantees are discharged upon the earlier of (i) the issuance to the purchasers of the property ownership certificate for the mortgaged property, which generally takes place within an average period of two to three years after completion of the guarantee registration, and (ii) the completion of the registration of the mortgage. It generally takes six months to one year after we deliver possession of the relevant property to the purchaser for our guarantee to be discharged. If a purchaser defaults under the mortgage loan and the bank calls on the guarantee, we are required to repay all debt owed by the purchaser to the mortgagee bank under the loan,

¹⁴ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

in which case typically the mortgagee bank will assign to us its rights under the loan and the mortgage and we will have full recourse to the property. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amounts outstanding from us as the guarantor of the mortgage. In line with industry practice, we do not conduct independent credit checks on our customers but rely instead on the credit checks conducted by the mortgagee banks, which may not be as extensive as credit checks conducted in other jurisdictions. As of December 31, 2018, 2019 and 2020, we had outstanding guarantees for mortgage loans of our purchasers in the amount of RMB20,930.3 million, RMB21,553.4 million and RMB38,700.2 million (US\$5,931.1 million), respectively. Although we have historically experienced a low rate of default on mortgage loans guaranteed by us, there is no assurance that such purchaser default rates will not increase in the future. If such default occurs and our relevant guarantee is called upon, our business, prospects, financial condition and results of operations may be materially and adversely affected to the extent that there is a material depreciation in the value of the relevant properties or if we are unable to sell the properties due to unfavorable market conditions or other reasons.

Our business will be adversely affected if mortgage financing becomes more costly or otherwise less attractive or available.

Many purchasers of our properties rely on mortgages to finance their purchases. Any increase in interest rates may significantly increase the cost of mortgage financing, thus affecting the purchasers' affordability of properties. In addition, the PRC government and commercial banks may increase the down-payment requirement, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers.

From time to time, the PRC government issues laws, regulations or policies regarding mortgage financing to regulate the PRC property market. In January 2010, the State Council issued the Circular on Promoting the Stable and Sound Development of the Real Estate Market (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》), which, among other things, provides that homeowners with outstanding mortgage loans who intend to buy additional properties for themselves, their spouses or dependent children are required to pay a down payment of no less than 40% of the purchase price and the applicable interest rate shall be set strictly based upon the associated risk level. In April 2010, the State Council issued a notice to raise the minimum down payment for second home purchases to 50% and set a minimum 30% down payment on first homes with a GFA of more than 90 sq.m. Further, pursuant to such notice, interest rate for mortgage loans of second homes cannot be lower than 110% of PBOC benchmark lending rate. In May 2010, the MOHURD, the PBOC and the China Banking and Insurance Regulatory Commission (the "CBIRC") jointly issued a circular to clarify that the number of residential properties owned by an individual property purchaser who is applying for mortgage loans shall be determined by all residential properties owned by the family members of such purchaser (including the purchaser and such purchaser's spouse and children under the age of 18), and that property purchasers of second or subsequent residential properties shall be subject to different credit terms when applying for mortgage loans.

According to a notice jointly issued by the PBOC and the CBIRC on September 29, 2010, the minimum down-payment has been raised to 30% for all first home purchases, and commercial banks are required to suspend mortgage loans for purchases of a customer's third or subsequent residential properties. In January 2011, the State Council issued a circular to further raise the minimum down-payment requirement for second home purchases to 60%. In addition, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50% of the borrower's monthly income. Since 2013, as a result of foregoing factors, PRC banks have generally tightened mortgage lending, which had affected the demand in the property market in general. On September 29, 2014, the PBOC and the CBIRC jointly issued the Notice of the People's Bank of China and the China Banking Regulatory Commission on Further Improving Housing Financial Services (《中國人民銀行、中國銀行業監督管理委員會關於進一步做好住房金融服務工作的通知》), according to which, the reasonable housing loan demand of residential households shall be actively supported; where a household that owns an existing property for which the property purchase loan has been paid off applies for a new loan to purchase another ordinary commodity housing for the purpose of improving living conditions, the relevant banking financial institution shall adopt the lending policies applicable to the first owner-occupied property. On August 25, 2019, the PBOC issued an announcement (PBOC Notice (2019) No.16) regarding the interest rate for new mortgage loans, which provides that after October 8, 2019, new mortgage loans shall be priced by adding basis points to the latest monthly Loan Prime Rate (the "LPR") of corresponding maturity; the interest rate of the loans for the first residential property shall not be lower than the LPR of corresponding maturity, and that of the second residential property not be lower than the LPR of corresponding maturity plus 60 basis points. Further, the interest rates of the loan for commercial properties shall not be lower than the LPRs of corresponding maturities plus 60 basis points, and no adjustments shall be made to the interest rates of housing provident fund for residential properties for the time being. Beginning from January 1, 2021, personal mortgage loans granted by PRC banks are also subject to certain ceilings imposed by the PBOC and the CBIRC.

If the availability or attractiveness of mortgage financing is reduced or limited, many of our prospective customers may not be able to purchase our properties and, as a result, our business, results of operations and financial condition may be adversely affected.

We are subject to various environmental, safety and health regulations in the PRC and any failure to comply with such regulations may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of our licenses or permits and could result in substantial costs.

Our business is subject to a variety of laws and regulations concerning the protection of the environment and public health. The particular environmental laws and regulations which apply to any given project site vary greatly according to the site's location, the site's environmental condition and the present and former uses of the site and adjoining properties. Failure to comply with such regulations may result in fines or suspension or revocation of our license or permits to conduct our business, and, in turn, can prohibit, delay or severely restrict project development activities in environmentally-sensitive regions or areas. Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that we will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase compliance costs of us.

In addition, under the new amendment of Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the Standing Committee of the National People's Congress on December 29, 2018 with effect on the same date, each of our projects is required to undergo environmental assessments, and an environmental impact assessment document is required to be submitted to the relevant government authorities for approval before the commencement of construction. Failure to obtain such approval prior to construction may result in suspension of construction and a penalty amounting to 1% to 5% of the total investment for such construction project according to the seriousness and consequences of the violation, and an order to restore it to the original state. We cannot assure you that we will satisfy the environmental assessments for each, or any, of our projects in the future.

As at the date of this offering memorandum, we have not received any notice regarding material non-compliance with the environmental assessments conducted relating to each of our property development projects from any governmental authority. However, it is possible that these assessments did not reveal all environmental liabilities and there may be environmental liabilities of which we are unaware that may have a material adverse effect on our business, financial condition or results of operations.

Our property development business may suffer certain losses not covered by insurance.

There is no mandatory provision under the PRC laws, regulations and government rules promulgated by the PRC central government which requires a property development or management enterprise to take out insurance policies for its real estate developments or management. In accordance with what we believe to be industry practice, we do not carry comprehensive insurance against all potential losses or damages with respect to our properties before their delivery to customers, nor do we maintain insurance coverage against liability from tortious acts, property damage or personal injury relating to the construction and maintenance of all of our properties or business interruption insurance coverage. Although we expect our third-party construction companies to maintain appropriate insurance coverage, we cannot assure you that their insurance would cover or be sufficient to satisfy all claims, or that we would not be sued or held liable for damages notwithstanding their insurance coverage. Moreover, there are certain losses for which insurance is not available on commercially practicable terms in China, such as losses suffered due to earthquake, typhoon, flooding, war and civil disorder. If we suffer from any losses, damages or liabilities in the course of our business, we may not have sufficient financial resources to cover such losses, damages or liabilities or to satisfy our related obligations. Any payment we make to cover any losses, damages or liabilities may have a material and adverse effect on our business, results of operations and financial condition.

We face risks relating to the calculation and enforcement of LAT by the PRC tax authorities, which may materially and adversely affect our profitability and cash flow position.

In accordance with the provisions of the Provisional Regulations of the PRC on Land Appreciation Tax (《中華人民共和國土地增值稅暫行條例》), which was promulgated on December 13, 1993 and amended on January 8, 2011, and the related implementation rules, all entities and individuals that receive income from the sale or transfer of state-owned land use rights, buildings and ancillary facilities are subject to LAT at progressive

rates at 30%, 40%, 50% or 60% of the appreciation value of such properties, with certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items as defined in the relevant LAT regulations, and for the legal expropriation and recovery of the properties or land use rights for national construction. Sales of luxury residential properties, villas and resorts are not eligible for such exemption. We estimate and make provisions for the full amount of applicable LAT in accordance with the requirements set forth in the relevant PRC tax laws and regulations. Our provision for LAT for the years ended December 31, 2018, 2019 and 2020 was RMB831.3 million, RMB2,188.3 million and RMB3,736.6 million (US\$572.7 million), respectively. LAT provisions are recorded as a part of “Other payables” on our balance sheets. Our provisions for LAT are based on our management’s best estimates according to their understanding of the requirements discussed above. However, actual LAT liabilities are subject to determination by the tax authorities upon the completion of the property development projects and PRC tax authorities may not agree with the basis on which we have calculated our LAT obligations. There can be no assurance that our current provisions for LAT are adequate or that the final outcome will not be different from the amounts initially recorded. In the event that we are required to settle any or all unpaid LAT, our cash flow and results of operations during the related period may be adversely affected.

Effective February 1, 2007 and amended on June 15, 2018, the State Administration of Taxation of the PRC (the “SAT”) issued the Notice on the Administration of the Settlement of LAT of Property Development Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題的通知》), which requires that:

- final settlement of LAT will be conducted on a project-by-project basis. For multi-phase projects, each phase will be required to undergo the LAT clearance and settlement process;
- the appreciated value of ordinary residential properties and non-ordinary residential properties contained within a project shall be calculated separately; and
- property developers must conduct final settlement if one of the following conditions is satisfied:
 - (1) the project is completed and has been sold entirely;
 - (2) the project is transferred as a whole before the completion of the construction; or
 - (3) the land use rights of the project are transferred.

This Notice also stipulates that the PRC tax authorities may require the property developer to conduct final LAT settlement if one of the following conditions is met:

- for completed projects, the area sold exceeds 85% of the total saleable area or, though less than 85%, the rest of the saleable area has already been rented or is being self-used;
- the project has held a sale/pre-sale license for at least three years but has not been sold entirely;
- the taxpayer has applied for tax de-registration but the LAT settlement has not been conducted; or
- other situations set forth by the provincial PRC tax authorities.

Local provincial tax authorities can formulate their own implementation rules according to the notice and local situations and there are uncertainties as to how they will enforce this notice. On May 12, 2009, the SAT issued the Provisions on Administration of the Settlement of LAT (《土地增值稅清算管理規程》), which became effective on June 1, 2009 and stipulates in detail the procedures for settlement of LAT and methods of calculating LAT. Furthermore, on May 25, 2010, the SAT published the Circular on Strengthening the Collection and Administration of LAT (《關於加強土地增值稅徵管工作的通知》) (the “SAT Circular”). According to the SAT Circular, all local governments were required to make adjustments to the then prevailing provisional LAT rate. In addition to safeguarding housing, the provisional LAT rate of provinces in the eastern region shall not be lower than 2%, while the provinces in the middle and northeastern regions shall not be lower than 1.5% and the provinces in the western region shall not be lower than 1%; and the local governments may determine the provisional LAT rate applicable to different types of real estate. Pursuant to the Circular on Value-Added Tax Policies for Financial, Real Estate Development, Education Ancillary Service and Other Services (《關於明確金融、房地產開發、教育輔助服務等增值稅政策的通知》), which became effective on May 1, 2016, except for provision 17 of this Circular. When the general taxpayer sells real estate project developed by itself, the compensation for demolition paid to other companies or individuals upon land acquisition is permitted to be

deducted for the purpose of calculation the sales income. Besides, if a real estate developer establishes a project company to develop the granted land after paying the land premium, the project company, for the purpose of calculation the sales income, may deduct the land premium that has been paid by the real estate developer if fulfilling the relevant requirements of changing the grantee of the land use right. In the event that relevant tax authorities change their requirements as to the amount or timing of payment of provisional LAT, our cash flow may be materially and adversely affected.

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

Pursuant to the Notice on Adjustment of Transfer Business Tax to Appreciation Tax (《關於全面推開營業稅改增值稅試點的通知》) issued on March 23, 2016 and implemented on May 1, 2016 (the “Circular 36”) by the MOF and the SAT, effective from May 1, 2016, and partially repealed by the Notice on Pilot Policies of Transfer Business Tax to Appreciation Tax for Construction Services and Other Sectors (《關於建築服務等營改增試點政策的公告》) which was effective on July 1, 2017 and the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) which was effective on April 1, 2019, PRC tax authorities have started imposing value-added tax (“VAT”) on operating revenues from various service sectors, including real estate, construction, financial services and insurance, as well as other lifestyle service sectors, to replace the business tax that coexisted with VAT for over 20 years. Since the issuance of the Circular 36, the MOF and the SAT have subsequently issued a series of tax circulars in March and April 2016 to implement the collection of VAT on operating revenues from construction, real estate, financial services and lifestyle services. The VAT rates applicable to us may be generally higher than the business tax rate we were subject to prior to the implementation of the Circular 36. For example, the VAT rate for the sale of self-developed real estate projects will be increased from 5% (the applicable business tax rate prior to May 1, 2016 and the applicable VAT rate for sale of “old projects”, i.e. real property whose construction commenced prior to May 1, 2016) to 11%. Unlike business tax, the VAT will only be imposed on added value, which means the input tax incurred from our construction and real estate can be offset from our output tax. However, new rules concerning VAT for the real estate sector may be subject to changes and will only be finalized after the interim-period under Circular 36. We are still in the process of assessing the comprehensive impact of the new VAT regime on our tax burden, our operating revenues and results of operations, which remains uncertain.

The property market in the PRC is still at a relatively early stage of development and lacks adequate infrastructural support.

The property development industry and ownership of private property in the PRC are still in a relatively early stage of development. Although demand for private residential property in the PRC has been growing rapidly in recent years, such growth is often coupled with volatility in market conditions and fluctuation in property prices. We cannot predict how much and when demand will develop, as many social, political, economic, legal and other factors may affect the development of the market. The level of uncertainty is increased by limited availability of accurate financial and market information as well as the overall low level of transparency in the PRC. Furthermore, risk of property over-supply is increasing in parts of China, where property investment, trading and speculation have become overly active. In the event of actual or perceived over-supply, property prices may fall significantly and our revenue and results of operations will be adversely affected.

Purchasers and investors may be discouraged from acquiring new properties due to the lack of a liquid secondary market for residential properties. In addition, the limited amounts and types of mortgage financing available to individuals, together with the lack of long-term security of legal title and enforceability of property rights, may also inhibit demand for residential property.

If as a result of any one or more of these or similar factors as described above, demand for residential property or market prices decline significantly, our business, financial condition and results of operations may be materially and adversely affected.

The amount of resettlement compensation payable to existing owners or residents is regulated and may be subject to substantial increases.

If any of the land parcels we acquire in the future have existing buildings or structures or are occupied by third parties, we may be responsible for paying resettlement costs prior to developing the land. In accordance with the Regulation on the Expropriation of Buildings on State-owned Land and Compensation (《國有土地上房屋徵收與補償條例》), which was promulgated by the State Council on January 21, 2011 and became effective on the same date, municipal and county governments are responsible for, and have the right to set up housing

expropriation departments to organize and carry out, the expropriation of and compensation for housing in their administrative regions. The amount of compensation for the housing being expropriated shall not be less than the fair market price of housing similar to the housing being expropriated on the announcement date of the housing expropriation decision. The housing being expropriated shall be appraised by a real estate appraisal institution with relevant qualification according to applicable housing expropriation appraisal measures. In addition, a party that objects to the appraisal value of the housing being expropriated may request the real estate appraisal institution to review the appraisal result. A party that objects to the review result, may apply to the real estate appraisal expert committee for authentication of the appraisal value. The appraisal and related review and authentication procedures may delay the timetable of our projects or result in higher compensation costs than originally anticipated. Such delays will lead to an increase in the cost and a delay in the expected cash inflow resulting from pre-sales of the relevant projects, which may in turn materially and adversely affect our business, prospects, financial condition and results of operations.

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

The global economy and financial markets have experienced significant disruptions in recent years. Economic growth in many countries continues to be adversely affected. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of the world's leading economies. In addition, ongoing international trade disputes, including tariff actions announced by the United States, the PRC and certain other countries, and the uncertainties created by such disputes may adversely affect the economies in jurisdictions in which we operate as well as global markets and economic conditions. The administration under the former U.S. President Donald Trump had advocated greater restrictions on international trade generally and significant increases on tariffs on certain goods imported into the United States, particularly from China, and had taken steps toward restricting trade in certain goods. It remains unclear whether the administration under U.S. President Joe Biden will continue or reverse the relevant policies. Such and other similar international trade disputes may also cause disruptions in the international flow of goods and services, which may in turn adversely affect the sale of our properties and/or the procurement of raw materials required for our business operations.

The current rise of economic nationalist sentiments and trade protectionism has led to increasing political uncertainty and unpredictability throughout the world. The United Kingdom withdrew from the European Union ("EU") on January 31, 2020 ("Brexit"), but continued to participate in certain EU organizations (such as the customs union) during a transition period that ended on December 31, 2020. With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the EU. Although a new trade and cooperation agreement between the United Kingdom and EU was agreed upon on December 24, 2020 and will apply on a provisional basis for a limited time until April 30, 2021, it is unclear how Brexit would ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the EU and the rest of the world. The outlook for the world economy and financial markets remains uncertain. Any volatility in the global markets and negative economic developments could, in turn, materially adversely affect our business, prospects, financial condition or results of operations. In addition, this could adversely affect our access to the debt capital markets and may increase our funding costs, having a negative impact on our revenue and financial conditions. In addition, lockdown and restrictive measures implemented to contain the spread of COVID-19 have also caused substantial disruptions to the global economy and hampered business activity on an international scale.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely impacted, and may continue to adversely impact, business and consumer confidence. In addition, any further tightening of liquidity in the global financial markets may in the future negatively affect our liquidity. If the global economic slowdown and financial crisis continue or become more severe than currently anticipated, our business, prospects, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL STATEMENTS

Our historical financial information may not be directly comparable with our future financial information.

Our historical financial information is sometimes adjusted or restated to address subsequent changes in accounting standards, our accounting policies and/or applicable laws and regulations with retrospective impact on our financial reporting, correction of an error recorded in the previous period or to reflect the comments provided by our independent auditors during the course of their audit or review in subsequent financial periods. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date contained in our historical financial statements and that contained in its future financial statements. For example, the MOF released the "Notice on Revising and Issuing the Format of Financial Statements of General

Enterprises (Cai Kuai [2019] No. 16)”, pursuant to which we adjusted the presentation of our financial statements as of and for the year ended December 31, 2019 and retrospectively restated the comparative information as of and for the year ended December 31, 2018 contained therein, or pursuant to revised “No.14 Accounting Standard for Business Enterprises - Revenue” issued by the MOF in July 2020, we adjusted the first year’s retained earnings and other related items in our financial statements as of and for the year ended December 31, 2020 according to the cumulative impact of the revised revenue standard for the first time, but no retrospective adjustments or restatements were made to the comparative financial information as of and for the year ended December 31, 2019 contained therein. As such, the financial information contained in our audited financial statements included elsewhere in this offering memorandum may not be directly comparable with our historical financial information or future financial information. For details of such adjustments, see Note III.(XXXII).1 and Note III.(XXXV).1 of our financial statements as of and for the years ended December 31, 2019 and 2020, respectively, which are included elsewhere in this offering memorandum.

Our auditor has limited international capital markets experience.

Pan-China Certified Public Accountants LLP (“**Pan-China CPA**”), our independent auditor, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies, including MOF and the China Securities Regulatory Commission (“**CSRC**”). Being the regulator of the securities and futures market in the PRC, CSRC may impose sanctions on the investigated accounting firms, its management, officers or employees, refuse to accept applications which include reports or opinions audited by the investigated accounting firm, or jointly with MOF, order that the investigated accounting firm’s relevant licenses be revoked, pursuant to which no securities and futures business services may be provided. CSRC may also re-examine the financial statements audited by an investigated accounting firm and announce such financial statements to be untrue or unreliable.

Pan-China CPA was established by a group of senior certified public accountants and is currently one of the largest accounting services providers in China with A-share and H-share audit qualification. Although Pan-China CPA has significant audit experience in the PRC, it has limited international capital markets experience.

As of the date of this offering memorandum, CSRC has handed down sixteen regulatory decisions on Pan-China CPA since January 2018 (the “**Decisions**”), fourteen of which were resulting from Pan-China’s negligence in performing its annual audit services for PRC companies and two of which were related to Pan-China CPA’s negligence in performing its audit services for IPO projects. Such Decisions included issuance of warnings and/or regulatory talk on specific accounting personnel involved in the relevant incidents.

According to Pan-China CPA, (i) the Decisions made by CSRC are not related to the Pan-China CPA team serving as the Company’s auditor, and (ii) as of the date of this offering memorandum, the Decisions did not affect the auditing work carried out by Pan-China CPA team for the Company. However, we cannot assure you that these incidents would not subject Pan-China CPA or any of its management, officers or employees to further sanctions imposed by other PRC authorities. Such further sanctions may restrict Pan-China CPA from providing audit services or other services in connection with our financing transactions. In that case, we may have to discontinue our engagement with Pan-China CPA, which may adversely affect our business operations and harm our reputation. Prospective investors should consider these factors prior to making any investment decision.

RISKS RELATING TO THE PRC

The PRC has experienced a slowdown in its economic development and the future performance of the PRC’s economy is uncertain.

Substantially all of our business and operations are conducted in the PRC. Accordingly, our business, financial condition, results of operations and prospects are, to a significant degree, subject to economic, political and social developments in the PRC. Although the PRC economy experienced rapid growth in the past 30 years, there has been market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, China’s GDP growth rate decreased from 6.9 per cent. for 2017 to 6.7 per cent. for 2018 and declined to 6.1 per cent. for 2019. China’s economy has experienced a significant slowdown since the outbreak of COVID-19 in 2020 and China recorded a GDP of 2.3 per cent. In May 2017, Moody’s Investors Service downgraded China’s sovereign credit rating for the first time since 1989 and changed its outlook from stable to negative, citing concerns on the country’s rising levels of debt and expectations of slower economic growth. The full impact of the Moody’s downgrade remains to be seen, but the perceived weaknesses in China’s economic development model, if proven and left unchecked, would have profound implications. The national economic condition of the PRC has a material effect on the economic performance in the regions where

we operate. If China's economic conditions worsen, or if the banking and financial systems experience difficulties from over-indebtedness, businesses in China may face a more challenging operating environment.

The future performance of China's economy is not only affected by the economic and monetary policies of the PRC government, but it is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world, such as the United States and the European Union. The political, social and macroeconomic impact of post-Brexit is uncertain, which could potentially lead to volatility in the global markets. In addition, the U.S. government and the Chinese government had been renegotiating their trade relationships and reached the phase one deal in early 2020. However, China and the United States have not launched the phase two negotiation yet and whether the trade disputes between China and the United States will be fully solved remains uncertain. It is also unclear the foreign policies the U.S. President Joe Biden and his administration will take towards China. Therefore, there exists a continued uncertainty for the overall prospects for the global and the PRC economies this year and beyond.

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

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

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

- the amount and degree of the PRC government involvement;
- growth rate and degree of development;
- uniformity in the implementation and enforcement of laws;
- content of and control over capital investment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. In addition, the PRC government continues to play a significant role in regulating industries and the economy through policy measures. We cannot predict whether changes in PRC economic, political or social conditions and in the PRC laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments of the reform measures. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. For example, the PRC government has in the past implemented a number of measures intended to slow down certain segments of the economy that the government believed to be overheating, including the real estate industry. These measures have included restricting foreign investment in certain sectors of the real estate industry, raising benchmark interest rates of commercial banks, reducing currency supply and placing additional limitations on the ability of commercial banks to make loans by raising bank reserves against deposits and raising the thresholds and minimum loan interest rates for residential mortgages. These actions, as well as future actions and policies of the PRC government, could cause a decrease in the overall level of economic activity, and in turn have a material and adverse impact on our business and financial condition.

The national and regional economies in China may be adversely affected by an outbreak of epidemics, natural disasters or severe weather conditions, thereby affecting our business prospects.

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where we operate, are under the

threat of floods, earthquakes, fires, droughts, or epidemics such as the Severe Acute Respiratory Syndrome, or SARS, H5N1 or H7N9 avian flu, the swine flu, also known as Influenza A (H1N1), the Ebola virus disease or, most recently, the novel coronavirus named COVID-19 by the World Health Organization. Our business, financial position and results of operations may be materially and adversely affected if natural disasters or other such events occur.

The COVID-19 pandemic which began at the end of 2019 has affected millions of individuals and adversely impacted national economies worldwide, including China. Several cities in China where we have significant land bank and operations imposed travel restrictions in an effort to curb the spread of the highly infectious COVID-19. As a result, sales offices and construction of our development projects may have been temporarily shut down. Moreover, supply of our raw materials and productivity of our employees were adversely affected. As a result, the completion of our projects may have been delayed and sales might be lower than expected, which in turn could result in substantial increase in our development costs, late delivery of properties and/or otherwise adversely affect our profitability and cash flows. Further, our customers may face financial difficulties, which may in turn result in a reduction in demand for our properties. Customers who had previously entered into contracts to purchase properties may default on their purchase contracts if the economic situation further deteriorates as a result of the epidemic. In addition, the COVID-19 outbreak poses risks to the wellbeing of our employees and the safety of our workplace, which may materially and adversely affect our business operation. Since April 2020, China and some other countries gradually lifted stay-at-home orders and began to resume work and school at varying levels and scopes. As a consequence, the Company's sales revenue rebounded since then. However, there can be no assurance that this recovery momentum will continue in the future. Given the high uncertainties associated with the COVID-19 pandemic, particularly in light of the recent resurgence of reported infections globally as well as the emergence and spread of new variants of the COVID-19 virus, it is difficult to predict the overall impact on the level of economic activity or the pace of any economic recovery, and the extent to which we may be affected. Should any disruption to our operations reoccur, it may materially and adversely affect our results of operations and financial condition and may also cause reputation damage.

Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. Another public health crisis in China triggered by a recurrence or an outbreak of epidemics, including the ongoing COVID-19, especially in the cities where we have operations, may result in material disruptions to our property development and sales. In addition, the ongoing COVID-19 outbreak on a global scale has resulted in worldwide restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. Global capital markets have experienced and may continue to experience negative investor sentiment, significant volatility and liquidity disruptions. This may adversely affect our ability to access capital markets for funding, which may in turn have a negative effect on our liquidity. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect our business, financial condition and results of operations.

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

The Notes are denominated in U.S. dollars, while substantially all of our operating revenues are generated by us and our PRC subsidiaries and are denominated in Renminbi. Pursuant to reforms of the exchange rate system announced by the PBOC on July 21, 2005, Renminbi-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from May 18, 2007, the PBOC enlarged the floating band for the trading prices in the interbank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the China Foreign Exchange Trading System (the "CFETS"), a sub-institutional organization of the PBOC. The floating band was further widened to 1.0% on April 16, 2012. These changes in currency system resulted in the Renminbi appreciating against the U.S. dollar by approximately 33.0% from July 21, 2005 to December 31, 2014. On March 17, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0%. On August 11, 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. On December 11, 2015, the CFETS published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of the Renminbi against the U.S. dollar, our financial condition and results of operations could be materially and

adversely affected because of our U.S. dollar denominated indebtedness and other obligations after the issuance of the Notes. Such devaluation could also materially and adversely affect the value, translated or converted into U.S. dollars or otherwise, of our earnings and our ability to satisfy our obligations under the Notes. The value of the Renminbi has depreciated significantly against U.S. dollars since the end of 2015 and there is no assurance that the Renminbi will not experience significant depreciation or (as the case may be) appreciation against U.S. dollars or against any other currency in the future.

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

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

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

As substantially all of our business operations are conducted, and substantially all of our assets are located, in the PRC, our operations are governed principally by the PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, the PRC has not developed a fully integrated legal system and recently enacted laws and regulations that may not sufficiently cover all aspects of economic activities in the PRC. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favorable interpretations of law and regulations than our competitors.

On September 14, 2015, the NDRC issued the “Notice on the Administrative Reform for the Registration of Offshore Debt Issuances” (《關於推進企業發行外債備案登記制管理改革的通知》(發改外資 [2015]2044 號)), or the “**NDRC Notice**”, which came into effect on the same date. According to the NDRC Notice, enterprises domiciled within the PRC and their overseas subsidiaries or branches should file and register with the NDRC prior to issuance of foreign debt instruments and report relevant information on the issuance of the foreign debt instruments to the NDRC within ten business days in the PRC after the completion of each issuance. Pursuant to the NDRC Notice, in the case of any significant discrepancy between the circumstances of the enterprises’ issuance of foreign debt and the recordation and registration information, an explanation shall be made when information is submitted. The NDRC will include the bad credit records of enterprises that maliciously submit false reports on the quota of foreign debts subject to recordation and registration in the national credit information platform. We have registered the issuance of the Notes with the NDRC with reference to the NDRC Notice and obtained a certificate from the NDRC dated November 19, 2020, and will cause to be filed a post-issuance report with the NDRC within 10 PRC business days after the Original Issue Date of the Notes. As the NDRC Notice is a new regulation, there are still uncertainties regarding its interpretation, implementation and enforcement by the NDRC. If we fail to complete such filing in accordance with the relevant requirements, due to any change in the relevant regulation we may be subject to penalties or other enforcement actions by relevant PRC government authorities. Additionally, given the involvement of different enforcement bodies of the relevant rules and regulations and the

non-binding nature of prior court decisions and administrative rulings, the interpretation and enforcement of the PRC laws and regulations involve significant uncertainties under the current legal environment.

More recently, there were reports that the PRC government may start to restrict financing available to property developers by reference to leverage ratios such as liabilities to assets ratio, net gearing ratio and cash to short-term borrowings ratio. In the second half of 2020, media reported that the MOHURD and PBOC have held a joint meeting to communicate with key real estate enterprises and other relevant governmental departments. According to media reports, in the meeting, it is announced that the MOHURD and PBOC, jointly with other relevant governmental departments, have formulated rules for fund monitoring and financing administration of key real estate enterprises to establish a more market-oriented, rule-based and transparent administration over the financing by real estate enterprises. Such rules are yet to be released in public. In addition, the PRC government had also introduced the following policies, among others, to specifically control the growth of the residential property market:

- limiting the maximum amount of monthly mortgage and total monthly debt service payments of individual borrowers;
- suspending land supply for villa developments and restricting land supply for high-end developments, while mandating a minimum land supply for affordable housing;
- imposing a business tax levy on the sales proceeds from secondary sales, based on the length of the holding period and type of property;
- requiring the strict enforcement of a 20% individual income tax on profits from sales of owner-occupied houses;
- increasing the minimum down payment on the purchase price of the residential property of a family;
- raising pre-sale thresholds for commodity housing;
- strengthening the government’s management of financing activities by property enterprises which have engaged in certain illegalities or irregularities;
- limiting the purchase of and mortgage loans for residential properties based on a purchaser’s place of residence and number of residential properties owned;
- continuing the enforcement of purchase restrictions imposed on commodity housing;
- tightening the availability of individual housing loans in the property market to individuals and their family members with more than one residential property;
- giving local branches of the PBOC more latitude in raising the down-payment rate and mortgage rate for the purchase of a second residential property in cities where housing prices are increasing at an excessively high rate;
- limiting the availability of individual housing provident fund loans for the purchase of second (or further) residential properties by laborers or their family members;
- requiring property developers to make public the sales and pre-sale price of its units for sales within a certain time period and conduct sales strictly in accordance with this stated price;
- requiring financial institutions to prioritize mortgage applications for ordinary commodity housing construction projects where small to medium-sized housing units constitute 70% or more of the total units in such construction projects so long as credit extension conditions are satisfied; and
- requiring bank to contain its real estate loans to a fixed ratio that varying from 40% to 12.5%, and individual housing loans to a fixed ratio that varying from 32.5% to 7.5%.

All these uncertainties may limit the legal protections available to foreign investors including you.

In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be

aware of our violation of these policies and rules until sometime after the violation. In addition, any litigation in the PRC may be protracted and thus result in substantial costs and diversion of resources and management's attention and it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of the PRC laws and regulations may adversely affect the legal protections and remedies that are available to us in our operations and to the holders of the Notes.

Governmental control over currency conversion may affect the value of your investment and limit our ability to utilize our cash effectively.

Substantially all of our revenue is denominated in Renminbi. The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from SAFE or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions.

Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to satisfy our foreign currency-denominated obligations. Since a significant amount of our future cash flow from operations will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to purchase goods and services outside of China or otherwise fund our business activities that are conducted in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay interest to holders of the Notes.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

Our Company and substantially all of our subsidiaries are incorporated in the PRC and substantially all of our assets are located in the PRC. In addition, our directors and senior management reside within the PRC and most of the assets of such directors and officers may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of our directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognized before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from foreign courts against us or any of our respective directors, supervisors or senior management in the PRC.

There can be no assurance of the accuracy or comparability of facts and statistics contained in this offering memorandum with respect to the PRC, its economy or the relevant industry.

Facts and other statistics in this offering memorandum relating to the PRC, its economy or the relevant industry in which we operate have been directly or indirectly derived from official government publications and certain other public industry sources and although we believe such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by us, the Initial Purchasers, the Trustee, the Agents or any of our or their respective affiliates, employees, directors, agents, advisors or representatives, and, therefore, we, the Trustee, the Agents or any of our or their respective affiliates, employees, directors, agents, advisors or representatives makes no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

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

The Notes are unsecured obligations.

The Notes are our unsecured obligations. The repayment of the Notes may be adversely affected if:

- we enter into bankruptcy, liquidation, reorganization or other winding-up proceedings;
- there is a default in payment under our future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of our indebtedness.

If any of these events were to occur, our assets may not be sufficient to pay amounts due on the Notes.

Payments with respect to the Notes are dependent to a certain extent upon cash flow from other members of our Group.

We depend to a certain extent upon the receipt of sufficient funds from other members in our Group to meet our obligations under the Notes. We conduct some of our operations through certain subsidiaries who will not provide guarantees for the Notes. Accordingly, our ability to pay principal and interest on the Notes will depend upon our receipt of dividend payments from such subsidiaries and the ability of the Subsidiary Guarantors, if any, to honor their obligations under the Subsidiary Guarantees, if any. As a result, if our Group's financial performance and cash flow is weakened, our ability to make punctual payment of interest and principal on the Notes may be adversely affected.

The Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of our existing and future subsidiaries and effectively subordinated to our secured debt to the extent of the value of the collateral securing such indebtedness.

The Notes will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of our existing and future subsidiaries whether or not secured. There will be no initial Subsidiary Guarantor and we may not have direct access to the assets of our subsidiaries unless these assets are transferred by dividend or otherwise to us. The ability of such subsidiaries to pay dividends or otherwise transfer assets to us is subject to various restrictions under applicable laws. Each of our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or make any funds available therefore, whether by dividends, loans or other payments. Creditors, including trade creditors of our PRC subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the Notes. Our right to receive assets of any of our subsidiaries upon that subsidiary's liquidation or reorganization will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that we are creditor of that subsidiary). Consequently, the Notes will be effectively subordinated to all liabilities, including trade payables, lease obligations and obligations under guarantees, of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish.

The Notes are our unsecured obligations and will (i) at least rank pari passu in right of payment with all our other unsubordinated and unsecured indebtedness; (ii) be effectively subordinated to all of our present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of our present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior to the Noteholders with respect to those assets. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders ratably with all of our other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

We may incur substantial additional indebtedness in the future.

We now have, and will continue to have after the offering of the Notes, a substantial amount of indebtedness. The restrictions under agreements relating to our indebtedness are subject to exceptions. Although the provisions in documents relating to our indebtedness, including the Indenture, contain restrictions that may limit our financial and operating flexibility, these restrictions are subject to important exceptions and qualifications. Under the Notes,

our ability to incur additional debt is subject to the limitation on indebtedness and preferred stock covenant. Under such covenant, we may incur (i) certain Permitted Indebtedness or (ii) additional indebtedness if we can, among other things, satisfy the Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio is derived by dividing Consolidated EBITDA by Consolidated Fixed Charges. Because our definition of Consolidated EBITDA includes our unrealized gains on valuation adjustments on our investment properties, our Consolidated EBITDA and therefore our ability to incur additional debt under such covenant, could be substantially larger when compared to other similarly situated PRC-based issuers of high-yield bonds whose covenant does not typically include unrealized gains in the calculation of their respective Consolidated EBITDA. Because our definition of Consolidated Interest Expense only includes interest payable by our Company or any Restricted Subsidiary if such interest accrues on Indebtedness of any other Person that is Guaranteed by our Company any Restricted Subsidiary, our Consolidated Fixed Charges would be substantially lower, and therefore our ability to incur additional debt under such covenant could be substantially larger, when compared to other similarly situated PRC high yield issuers. In addition, we have flexibility to classify different debts as Permitted Refinancing Indebtedness. Such exceptions and qualifications may allow us to, among other things, incur additional indebtedness, pledge assets to secure certain indebtedness, make certain investments and/or sell certain of our assets. As a result of such actions, we may become significantly leveraged, sustain losses on our investments and/or lose revenue streams, any of which could materially and adversely affect our ability to satisfy our obligations under the Notes and other indebtedness.

The terms of the Notes give us enhanced flexibility to pay substantial amount of dividends.

We pay dividends to our shareholders from time to time. Under the Indenture, any such dividend payment will be a “Restricted Payment,” which could not be made unless we can, among other things, satisfy the Fixed Charge Coverage Ratio. However, such restriction is subject to important exceptions and qualifications. Under the terms of the Notes, we may pay dividends on our common stock in an aggregate amount up to 30% of our distributable profits for the year without satisfying the Fixed Charge Coverage Ratio. Furthermore, if our dividends payment exceeds 30% of distributable profits of that year, we are nevertheless able to declare dividends provided that our net assets after making adjustment for other equity instruments does not decrease comparing to the immediately preceding year. With such exceptions, we may be able pay substantial amount of dividends even when we are highly leveraged, which may materially and adversely affect our ability to service our indebtedness, including the Notes.

We have flexibility to incur debt secured by assets the security interest of which may not be shared with the Holders of the Notes

Although the “Limitation on Liens” covenant as described under the “Description of the Notes” provides that we may not create or permit to exist any liens on our assets and properties unless such liens are shared on a *pari passu* basis with the Holders of the Notes, such restriction is subject to important exceptions and qualifications. The terms of the Notes give us enhanced flexibility to make Restricted Payments, including investments, in Unrestricted Subsidiaries, minority owned joint ventures and other persons, and we have the flexibility under the terms of the Notes to designate certain subsidiaries as Unrestricted Subsidiaries, which may have substantial assets. Unrestricted Subsidiaries themselves are not subject to the restrictive covenants under the indenture governing the Notes and will therefore be permitted to incur debt secured by their assets, the security interest of which will not be shared with holders of the Notes. In addition, the definition of “Permitted Liens” also gives us and our Restricted Subsidiaries flexibility to incur debt secured by certain assets, the security interest of which may not be shared with holders of the Notes. The Notes will therefore rank behind such secured debt to the extent of the value of such security, the amount of which may be material.

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

We depend, and will depend in the future, on the receipt of dividends and the interest or principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our obligations, including our obligations under the Notes. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders, including us, is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, restrictions contained in relevant debt instruments, and applicable laws. Certain loan agreements in relation to bank loans entered into by our PRC subsidiaries from PRC lender banks may contain provisions that restrict or prohibit the payment or declaration of dividends or distributions. See “Description of Other Material Indebtedness – Bank Credit Facilities.” We believe that such restrictions on dividend distribution by our subsidiaries will not adversely affect our ability to service the interest, principal and other payment under the Notes upon issuance. We also

confirm that distribution of dividends by our subsidiaries in compliance with the applicable rules and contractual requirements will not adversely and materially affect performance of our contractual obligations under those loan agreements.

PRC laws and regulations permit payment of dividends only out of accumulated net profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with IFRS in certain significant respects, including the use of different bases of recognition of turnover and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax net profits as statutory reserves according to PRC accounting standards and regulations to fund certain reserve funds that are not distributable as cash dividends by the board of directors. In practice, our PRC subsidiaries may pay dividends once a year. As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet payments required by the Notes, and there could be restrictions on payments required to pay off the Notes at maturity or as required for any early redemption.

Furthermore, in practice, the market interest rate that our PRC subsidiaries can pay with respect to offshore loans generally may not exceed comparable interest rates in the international finance markets. Our PRC subsidiaries are also required to pay a 10% (or 7% if the interest is paid to a Hong Kong resident) withholding tax on our behalf on the interest paid under any shareholders' loans. PRC regulations require approval by SAFE prior to any of our non-PRC subsidiaries making shareholder loans in foreign currencies to our PRC subsidiaries and require such loans to be registered with SAFE. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries must present tax filing form and/or other documents as required by tax authorities on the interest payable in any such shareholder loan and evidence of registration with SAFE, as well as any other documents that SAFE or its local branch may require.

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

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

We must offer to purchase all outstanding Notes upon the occurrence of a Change of Control Triggering Event, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See "Description of the Notes – Repurchase of Notes upon a Change of Control Triggering Event."

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any Change of Control Triggering Event to make purchases of outstanding Notes. Our failure to make the offer to purchase or purchase the outstanding Notes would constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, we may not have sufficient funds to purchase the Notes and repay the debt.

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

Also, the definition of Change of Control Triggering Event contemplates a scenario in which our Permitted Holders are collectively the beneficial owners of less than 25% of our total voting shares. As of December 31, 2020, Mr. Huang Hongyun (together with Ms. Tao Hongxia and Ms. Huang Sishi, as persons acting in concert) beneficially owned a 29.99% interest in our Company. If our Permitted Holders' aggregate holding of our voting shares decreases to lower than 25%, the Change of Control Triggering Event may occur subject to conditions as provided in the section entitled "Description of the Notes."

We may elect to redeem the Notes prior to their maturity.

Pursuant to terms of the Notes, we may elect to redeem the Notes prior to their maturity in whole or in part at the price specified in the section entitled “Description of the Notes – Optional Redemption.” The date on which we elect to redeem the Notes may not accord with the preference of particular Noteholders. In addition, a Noteholder may not be able to reinvest the redemption proceeds in comparable securities at the same rate of return of the Notes.

We may be able to redeem the Notes prior to maturity in the event that we are required to pay additional amounts due to certain changes in tax laws.

As described under “Description of the Notes – Redemption for Taxation Reasons,” in the event we are required to pay Additional Amounts (as defined therein) as a result of certain changes in or interpretations of tax laws of a Relevant Jurisdiction (as defined therein), including any change of interpretation or the stating of an official position that results in the us being required to withhold tax on payments on the Notes at a rate of (i) more than 10% if the withholding is imposed in respect of PRC income taxes, or (ii) more than 16.72% if the withholding is imposed in respect of both PRC income and VAT, we may, at our option, redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest. Therefore the Notes may be redeemed at an earlier time prior to the Notes’ stated maturity date, investors may not receive the same economic benefits they would have received had they held the Notes to maturity, and they may not be able to reinvest the proceeds they receive upon redemption in similar securities.

The PRC insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As we are incorporated under the PRC laws and conduct substantially all of our business operations in the PRC, we are subject to PRC insolvency laws in an insolvency proceeding relating to us. The PRC laws and regulations relating to insolvency and the legal proceedings in that regard may significantly differ from those of another jurisdiction with which the holders of the Notes are familiar. You should analyze these risks and related uncertainties carefully before you invest in the Notes.

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

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in the PRC and other jurisdictions where future subsidiary guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

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

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its properties at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debts as they became absolute and matured.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration. In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of us, the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, under the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any, will be limited to the maximum amount that can be guaranteed by us, the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, without rendering the guarantee, as it relates to the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any, voidable under such applicable insolvency or fraudulent transfer laws.

If a court voids the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any, subordinates such guarantee to other indebtedness of us, the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, or holds the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any, unenforceable for any other reason, holders of the Notes would cease to have a claim against us, the Subsidiary Guarantors and the JV Subsidiary Guarantees, if any, based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of us, the Subsidiary Guarantors and the JV Subsidiary Guarantees, if any, and would solely be creditors of us, the Subsidiary Guarantors and the JV Subsidiary Guarantees, if any, which has not been voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

Government control of currency conversion may adversely affect the value of the Notes.

The Notes are denominated in U.S. dollars while a significant portion of our turnover is generated by our PRC operating subsidiaries and is denominated in Renminbi. The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside China. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of SAFE by complying with certain procedural requirements. However, approval from the appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted to a jurisdiction outside China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in the future. We must present certain documents to SAFE, its authorized branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of China, including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with SAFE. If the PRC foreign exchange control system prevents us from obtaining sufficient foreign currency, particularly U.S. dollars, it may adversely affect our ability to satisfy its obligations under the Notes.

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

On September 14, 2015, the NDRC issued the NDRC Notice pursuant to which if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year, such PRC enterprise must in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue. According to the NDRC Notice, the NDRC is expected to issue a decision on the submission within seven working days after it accepts the submission. The enterprise must also report certain details of the bonds to the NDRC within ten business days upon the completion of the bond issue (the “**Post-Issuance Report**”).

The NDRC Notice is silent on the legal consequences of noncompliance with the pre-issue registration requirement. In the worst case scenario, it might become unlawful for the Issuer to perform or comply with any of its obligations under the Notes. Similarly, there is no clarity on the legal consequences of noncompliance with the Post-Issuance Report requirement under the NDRC Notice. Additional guidance has been issued by the NDRC (《企業境外發行債券指引》, the “**NDRC Notice Guidelines**”) on December 18, 2015, which states that companies, investment banks, law firms and other intermediaries involved in debt securities issues which do not comply with the registration requirement under the NDRC Notice will be subject to a blacklist and sanctions. The NDRC Notice Guidelines are silent as to how such blacklist will be implemented or the exact sanctions that will be enacted by the NDRC, or any impact on the holders of the Notes, in the event of a noncompliance by us with the NDRC Notice. We have undertaken to notify the NDRC of the particulars of the issue of the Notes within the prescribed period under the NDRC Notice.

There is no assurance that the NDRC will not issue further implementation rules or notices which may require additional steps in terms of the registration or provide sanctions or other administrative procedures the NDRC may impose in case of failure of such registration with, or the Post-Issuance Report to the NDRC. There is also no assurance that the registration with the NDRC will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the performance or validity and enforceability of the Notes in the PRC. We have completed the pre-issue registration with the NDRC and obtained the pre-issue registration certificate on November 11, 2020. If we do not report the post issuance information with respect to the Notes within the timeframe as provided under the NDRC Notice, the NDRC may impose sanctions or other administrative procedures on us which may have a material adverse impact on the Notes and the investors in the Notes, or to our business, financial condition or results of operations.

We shall complete the SAFE Completion Event (as defined in the Indenture) in respect of the issue of the Notes with SAFE in accordance with the relevant laws and regulations. Before such SAFE Completion Event is completed, it is uncertain whether the Notes are enforceable under the PRC laws and it may be difficult for Noteholders to recover amounts due from us, and we may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet our payment obligations under the Notes. Under the Indenture, we have undertaken to complete the SAFE Completion Event in accordance with and within the time period prescribed by all applicable laws and regulations.

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

If we are unable to comply with the restrictions and covenants in the Indenture, or our current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate the debt repayment and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of other debt, including the Notes, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us. Furthermore, we are permitted to incur indebtedness pursuant to the Indenture if, among other options, we are able to meet the Fixed Charge Coverage Ratio (as defined in the Indenture).

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

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

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

- effect a consolidation or merger.

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

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

The Notes are a new issue of securities for which there is currently no trading market. The Issuer will seek a listing of the Notes on the Hong Kong Stock Exchange. We do not intend to apply for listing of the Notes on any U.S. securities exchange or for quotation through an automated dealer quotation system. We have been advised that the Initial Purchasers intend to make a market in the Notes, but they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See “Transfer Restrictions.” We cannot predict whether an active trading market for the Notes will develop or be sustained.

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

The Notes are expected to be assigned a rating of “B+” by S&P, “BBg+” by China Chengxin and “BB+” by Lianhe Global. The ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure you that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

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

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our turnovers, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. We cannot assure you that these developments will not occur in the future.

We may issue additional Notes in the future.

We may, from time to time, and without prior consultation of the Noteholder, create and issue further Notes (see “Description of the Notes – Further Issues”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

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

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

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

The Notes will initially only be issued in global form and held through Euroclear and Clearstream. Interests in the Notes represented by the Global Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of the Notes. The nominee of the common depositary for Euroclear and Clearstream will be the sole registered holder of the Global Notes

representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the nominee of the common depository for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream or, if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of Noteholder under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from Noteholders. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis. Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

We may make amendments to and seek waivers from certain provisions of the Indenture.

Under certain circumstances as described below under “Description of the Notes – Amendments and Waiver – Amendments Without Consent of Holders,” we may, from time to time, and without prior consultation with the Noteholders, make certain amendments to the Indenture. Further, under certain circumstances as described below under “Description of the Notes – Amendments and Waiver Amendments With Consent of Holders,” we may, from time to time, and with the consent of the Noteholders of not less than a majority in aggregate principal amount of the outstanding Notes, make certain amendments to the Indenture or waive future compliance by us and the Subsidiary Guarantors, if any, with certain provisions of the Indenture. If the requisite consents are obtained (if required) and/or the relevant conditions are satisfied (or waived) and such amendments or waivers become operative, all Noteholders will be bound by the terms of the Indenture as amended, whether or not a Noteholder delivered a consent. Such amendments or waivers could materially increase the credit risks faced by Noteholders or could otherwise be materially adverse to the interests of the Noteholders.

The Trustee may request Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction.

Under certain circumstances, including without limitation giving notice to us upon an event of default and taking enforcement steps pursuant to the terms of the Indenture, the Trustee may, at its sole discretion, request Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity, security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity, security and/or pre-funding to it and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

USE OF PROCEEDS

The gross proceeds from this offering will be US\$319,416,500, which, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, we intend to use to refinance our existing medium to long-term indebtedness due within one year.

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

EXCHANGE RATE INFORMATION

PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On May 18, 2007, PBOC enlarged, effective on May 21, 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by PBOC. The floating band was further widened to 1.0% on April 16, 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9% from July 21, 2005 to December 31, 2013. On March 14, 2014, PBOC further widened the floating band against the U.S. dollar to 2.0%. On August 11, 2015, PBOC announced to improve the central parity quotations of Renminbi against the U.S. dollar by authorizing market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. Following the announcement by PBOC on August 11, 2015, Renminbi depreciated significantly against the U.S. dollar. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

The following table sets forth the noon buying rate in Renminbi as set forth in the H.10 statistical release of the Federal Reserve Bank of New York for the periods indicated:

	Renminbi per U.S. Dollar Noon Buying Rate⁽¹⁾			
	End	Average⁽²⁾	High	Low
		<i>(RMB per U.S.\$1.00)</i>		
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7563	6.9575	6.5063
2018	6.8755	6.6090	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020				
November	6.5760	6.6029	6.6899	6.5556
December	6.5250	6.5393	6.5705	6.5208
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4730	6.4601	6.4869	6.4344
March	6.5518	6.5109	6.5716	6.4648
April	6.4749	6.5186	6.5649	6.4710
May (through May 14)	6.4367	6.4507	6.4749	6.4156

Notes:

- (1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

CAPITALIZATION AND INDEBTEDNESS

The table below sets forth our consolidated borrowings and capitalization as of December 31, 2020:

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

You should read this table in conjunction with our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this offering memorandum.

	As of December 31, 2020			
	Actual (RMB'000) (audited)	Actual (US\$'000) ⁽⁷⁾ (unaudited)	As adjusted (RMB'000) (audited)	As adjusted (US\$'000) ⁽⁷⁾ (unaudited)
Cash and bank balances	43,492,262.1	6,665,480.8	43,492,262.1	6,665,480.8
Current borrowings				
Short-term borrowings ⁽¹⁾	10,279,605.8	1,575,418.5	10,279,605.8	1,575,418.5
Non-current liabilities due within one year ⁽²⁾	22,242,114.4	3,408,753.2	22,242,114.4	3,408,753.2
Total current borrowings ⁽³⁾	32,521,720.2	4,984,171.7	32,521,720.2	4,984,171.7
Non-current borrowings				
Long-term borrowings	52,734,580.1	8,081,928.0	52,734,580.1	8,081,928.0
Long-term payables	580,343.9	88,941.6	580,343.9	88,941.6
Bonds payable	11,827,121.2	1,812,585.6	11,827,121.2	1,812,585.6
Perpetual bonds ⁽⁴⁾	2,141,770.0	328,240.6	2,141,770.0	328,240.6
Notes to be issued	-	-	2,120,625.0	325,000.0
Total non-current borrowings ⁽³⁾	67,283,815.2	10,311,695.8	69,404,440.2	10,636,695.8
Total Indebtedness ⁽⁵⁾	99,805,535.4	15,295,867.5	101,926,160.4	15,620,867.5
Total Equity	71,356,564.2	10,935,871.9	71,356,564.2	10,935,871.9
Total Capitalization ⁽⁶⁾	138,640,379.4	21,247,567.7	140,761,004.4	21,572,567.7

Notes:

- (1) Short-term borrowings as of December 31, 2020, included here, exclude the amount of RMB187.7 million relating to the interest accrued.
- (2) Non-current liabilities due within one year as of December 31, 2020, included here, exclude the amount of RMB2.9 million relating to our restricted stock repurchase obligation and the amount of RMB946.2 million relating to the interest accrued.
- (3) Subsequent to December 31, 2020, we have, in the ordinary course of business, entered into additional financing arrangements to finance our property developments and for general corporate purposes. These additional borrowings are not reflected in the table above. Also see “Description of Other Material Indebtedness.” As of March 31, 2021, the outstanding amount of our total borrowings (including short-term and long-term borrowings (not excluding the amounts relating to the interest accrued), non-current liabilities due within one year (not excluding the amounts relating to our restricted stock repurchase obligation and the interest accrued), long-term payables, bonds payable and perpetual bonds¹⁵) was RMB101,815.2 million (US\$15,603.9 million).
- (4) Perpetual bonds are recorded under the line item “other equity instruments” in our consolidated balance sheet.
- (5) Total indebtedness equals total current borrowings plus total non-current borrowings.
- (6) Total capitalization equals total non-current borrowings plus total equity.
- (7) Calculated at the exchange rate of US\$1.00 = RMB6.5250 on December 31, 2020 as set forth in the H.10 statistical release of the Federal Reserve Board.

After the completion of this offering, we may incur additional debt, including bank borrowings or debt securities. Except as otherwise disclosed in this offering memorandum, there has been no material change to our indebtedness and capitalization since December 31, 2020.

¹⁵ Perpetual bonds are recorded under the line item “other equity instruments” in our consolidated balance sheets.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present our selected financial and other data. The selected financial data as of and for the years ended December 31, 2018, 2019 and 2020 set forth below have been derived from our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, as audited by Pan-China CPA, independent certified public accountants, which are included elsewhere in this offering memorandum. Our financial statements have been prepared and presented in accordance with PRC GAAP, which differ in certain material respects from IFRS. See “Summary of Certain Material Differences between PRC GAAP and IFRS.” The summary financial data below should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

Our comparative financial information as of and for the year ended December 31, 2018, as contained in our audited financial statements as of and for the year ended December 31, 2019, was restated to reflect the change in accounting policies with effect from January 1, 2019, as MOF released the “Notice on Revising and Issuing the Format of Financial Statements of General Enterprises (Cai Kuai [2019] No. 16)”. Further, in accordance with revised “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”, “Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets” and “Accounting Standards for Business Enterprises No. 24 - Hedge Accounting” issued by the MOF in 2019, we adopted such standards for the preparation of our financial statements as of and for the year ended December 31, 2019, while no retrospective adjustments or restatements were made to the comparative financial information as of and for the year ended December 31, 2018 contained therein. In accordance with revised “No.14 Accounting Standard for Business Enterprises – Revenue” issued by the MOF in July 2020, we adjusted the first year’s retained earnings and other related items contained in our audited financial statements as of and for the year ended December 31, 2020 according to the cumulative impact of the revised revenue standard for the first time, while no retrospective adjustments or restatements had been made to the comparative financial information as of and for the year ended December 31, 2019 contained therein. See Note III.(XXXII).1 and Note III.(XXXV).1 of our audited financial statements as of and for the years ended December 31, 2019 and 2020, respectively, which are included elsewhere in this offering memorandum. Should such information be restated to reflect the effect of such change in accounting policies, the restated amounts might be different from the financial information reported therein. Consequently, **potential investors should exercise caution when using such financial information to evaluate our financial condition and results of operations.**

Selected Consolidated Income Statement and Other Financial Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Operating revenue	41,233,676.4	67,773,374.5	87,704,410.0	13,441,288.9
Total operating cost	35,814,116.6	58,510,620.2	77,433,288.3	11,867,170.6
Including: Operating cost.....	29,452,569.1	48,230,059.7	67,390,209.2	10,328,001.4
Taxes & surcharges.....	1,407,147.9	2,706,826.8	2,993,192.1	458,726.8
Selling expenses.....	2,561,812.5	4,214,509.9	3,461,793.3	530,543.0
Administrative expenses	2,339,524.8	2,689,453.8	3,014,786.5	462,036.2
R&D expenses	3,404.8	41,052.5	92,157.4	14,123.7
Financial expenses	49,657.6	628,717.6	481,149.8	73,739.4
Including: Interest expenses.....	543,249.3	965,772.8	929,847.4	142,505.3
Interest income.....	537,496.0	413,148.3	591,366.3	90,630.9
Add: Other income.....	73,489.4	153,712.5	403,227.5	61,797.3
Investment income	(186,233.8)	185,696.0	1,620,318.1	248,324.6
Including: Investment income from associates and joint ventures	(27,494.7)	184,600.0	1,302,614.1	199,634.3
Gains on changes in fair value (or less: losses)	66,430.3	95,873.3	464,300.0	71,157.1
Credit impairment losses.....	-	(96,449.9)	(83,244.5)	(12,757.8)
Assets impairment loss.....	(35,135.5)	(981,480.8)	(410,311.8)	(62,883.0)
Gains on asset disposal (or less: losses)	460.3	1,510.7	(34,449.0)	(5,279.5)
Operating profit (or less: losses)	5,338,570.6	8,621,616.0	12,230,962.0	1,874,476.9
Add: Non-operating revenue.....	86,583.0	96,299.5	142,436.9	21,829.4
Less: Non-operating expenditures.....	215,045.4	382,857.0	194,407.3	29,794.2
Profit before tax (or less: loss)	5,210,108.2	8,335,058.5	12,178,991.6	1,866,512.1

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Less: Income tax	1,189,604.2	1,978,060.6	2,474,631.7	379,253.9
Net profit (or less: loss).....	4,020,504.0	6,356,997.9	9,704,359.9	1,487,258.2
Net profit attributable to owners of parent company (or less: net loss).....	3,885,918.5	5,675,826.3	7,030,016.1	1,077,397.1
Net profit attributable to non-controlling shareholders (or less: net loss)	134,585.5	681,171.6	2,674,343.8	409,861.1
Dividends	1,918,296.5	2,399,280.0	2,399,141.6	367,684.5
Other Financial Data (unaudited)				
EBITDA ⁽¹⁾ (RMB/US\$ in millions)	8,056.6	14,681.1	19,391.7	2,971.9
EBITDA margin ⁽²⁾ (%).....	19.5	21.7	22.1	-
Capitalized interest in cost of goods sold (RMB/US\$ in millions).....	2,603.0	5,448.0	6,515.4	998.5

Notes:

(1) EBITDA consists of net profit for the year plus income tax expenses, interest in the carried over cost, interest expenditures, and amortization of intangible assets and long-term deferred expenditures minus interest income. EBITDA is not a standard measure under PRC GAAP. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. See "Description of the Notes – Definitions" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the Notes.

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

Summary Consolidated Balance Sheet Data

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Current Assets				
Cash and bank balances	29,851,757.2	35,986,127.6	43,492,262.1	6,665,480.8
Held-for-trading financial assets	-	-	68,613.6	10,515.5
Notes receivable.....	5,600.0	-	87,048.5	13,340.8
Accounts receivable	1,583,607.5	2,279,708.2	2,798,294.7	428,857.4
Receivables financing	-	6,080.0	9,364.2	1,435.1
Advances paid.....	3,392,174.8	9,186,829.6	8,753,958.0	1,341,602.8
Other receivables	13,022,849.7	22,498,003.1	30,525,719.2	4,678,271.1
Inventories	160,834,886.5	214,241,423.6	234,652,653.9	35,962,092.6
Contract Assets	-	-	961,889.3	147,416.0
Other current assets.....	4,650,397.8	7,030,605.8	10,764,545.5	1,649,738.8
Total current assets	213,341,273.7	291,228,777.9	332,114,349.1	50,898,750.8
Non-Current Assets				
Debt investments.....	-	216,497.9	222,258.2	34,062.6
Available-for-sale financial assets.....	473,468.9	-	-	-
Long-term equity investments.....	7,367,746.3	13,621,726.5	24,893,889.8	3,815,155.5
Other equity instruments investments	-	115,456.7	459,936.6	70,488.4
Investment property	3,614,715.7	8,324,103.9	13,565,748.1	2,079,041.9
Fixed assets	2,373,506.6	4,378,065.0	4,078,186.5	625,009.4
Construction in progress	1,452,752.7	247.2	31,725.0	4,862.1
Intangible assets	64,168.6	75,763.7	74,741.1	11,454.6
Goodwill	487,954.0	487,954.0	487,954.0	74,782.2
Long-term prepayments	64,436.3	92,532.5	75,629.7	11,590.8
Deferred tax assets	1,342,642.6	1,621,772.3	2,104,917.9	322,592.8
Other non-current assets.....	116,000.0	1,442,119.1	3,048,642.5	467,224.9

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Total non-current assets	17,357,391.7	30,376,238.8	49,043,629.5	7,516,265.1
Total assets.....	230,698,665.4	321,605,016.7	381,157,978.5	58,415,015.9
Current Liabilities				
Short-term borrowings	3,196,200.0	3,060,254.0	10,467,273.7	1,604,179.9
Notes payable.....	2,659,975.5	7,502,327.7	5,695,224.1	872,831.3
Accounts payable.....	13,681,241.1	23,548,500.6	28,568,273.1	4,378,279.4
Advances received	76,275,695.3	114,693,955.8	11,693.8	1,792.2
Contract liabilities			134,633,085.5	20,633,423.1
Employee benefits payable	705,325.2	677,035.9	844,293.5	129,393.6
Taxes and rates payable	3,251,597.0	4,342,321.1	4,575,672.6	701,252.5
Other payables	13,412,156.7	17,431,519.4	26,119,403.7	4,002,973.7
Non-current liabilities due within one year	24,443,315.2	29,709,478.7	23,191,173.9	3,554,202.9
Other current liabilities	-	-	5,846,358.6	895,993.7
Total current liabilities	137,625,506.0	200,965,393.1	239,952,452.6	36,774,322.2
Non-Current Liabilities				
Long-term borrowings	47,370,128.7	52,381,951.3	52,734,580.1	8,081,928.0
Bonds payable.....	6,400,460.9	13,534,958.0	11,827,121.2	1,812,585.6
Long-term payables.....	746,194.0	1,192,342.2	580,343.9	88,941.6
Deferred income.....	317,819.5	468,936.9	275,522.2	42,225.6
Deferred tax liabilities.....	467,179.4	910,273.4	2,289,624.3	350,900.3
Other non-current liabilities	4,774.0	-	-	-
Total non-current liabilities	55,306,556.5	68,488,461.9	67,707,191.8	10,376,581.1
Total liabilities.....	192,932,062.5	269,453,855.1	307,659,644.3	47,150,903.3
Equity				
Share capital/Paid-in capital.....	5,339,715.8	5,339,715.8	5,339,715.8	818,347.2
Other equity instruments.....	1,700,000.0	800,000.0	2,141,770.0	328,240.6
Including: Perpetual Bond.....	1,700,000.0	800,000.0	2,141,770.0	328,240.6
Capital reserve	4,099,926.8	4,507,152.6	7,259,092.1	1,112,504.5
Less: Treasury shares.....	137,538.2	121,159.1	24,520.1	3,757.9
Other comprehensive income.....	1,410,705.7	2,392,387.8	2,466,456.3	378,001.0
Surplus reserve.....	936,688.6	1,463,900.8	1,922,651.5	294,659.2
Undistributed profit.....	9,831,266.6	12,985,084.2	17,816,890.7	2,730,558.0
Total equity attributable to parent company.....	23,180,765.4	27,367,082.1	36,922,056.4	5,658,552.7
Non-controlling interests.....	14,585,837.5	24,784,079.5	36,576,277.8	5,605,559.8
Total equity.....	37,766,602.9	52,151,161.6	73,498,334.2	11,264,112.5
Total liabilities and equity	230,698,665.4	321,605,016.7	381,157,978.5	58,415,015.9

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

The following discussion should be read in conjunction with the section entitled "Summary Consolidated Financial Data" and our consolidated financial statements, including the notes thereto, included elsewhere in this offering memorandum. All significant intra-group transactions, balances and unrealized gains on intra-group transactions have been eliminated.

Our consolidated financial statements were prepared in accordance with PRC GAAP, which differ in certain material respects from IFRS. See "Summary of Certain Material Differences between PRC GAAP and IFRS." In this section of the offering memorandum, references to "2018," "2019," and "2020," refer to our financial years ended December 31, 2018, 2019 and 2020, respectively.

OVERVIEW

We are one of the leading property developers in the PRC with an established track record and market-leading capabilities in real estate development and property management. Tracing our history back to 1998, we initially focused on property developments in Chongqing, capturing the opportunities presented by its rapidly growing economy. With our reputation and experience gained in Chongqing, we quickly expanded our network and footprint. Our focus on optimizing execution efficiency through a multi-level management model combined with the consistency in our product quality have allowed us to quickly replicate our success across China to cover approximately 23 provinces and regions. As of December 31, 2020, our property development portfolio¹⁶ consisted of 80 completed properties¹⁷ with a total GFA (including GFA sold and unsold) of 21.9 million sq.m. and 257 properties under development with a total GFA (including GFA sold and unsold) of 75.8 million sq.m., including 15.6 million sq.m. that newly commenced development in 2020. We have another 26 planned properties for future development with a total planned GFA of 7.3 million sq.m. as of the same date. As testament to our widely recognized brand name and success, we were included in the Forbes Global 2000 List consecutively from 2018 to 2021 and also ranked in the "China Top 100 Real Estate Enterprises (中國房地產百強企業)" for 17 consecutive years from 2005 to 2021. Leveraging our strengths in the property industry, we expanded into property management to diversify our revenue sources and business portfolio. As of December 31, 2020, our property management portfolio consisted of over 600 properties from residential developments, office buildings, hotels to educational institutions in 152 cities and regions, covering a contractual GFA scale of approximately 277.2 million sq.m. For five years running from 2017 to 2021, we were ranked among "China Top 100 Property Management Companies (中國物業服務百強企業)" in the annual industry report published by the China Index Academy (中國指數研究院), including first in the Central West region in terms of overall capabilities.

As of December 31, 2020, we had a land bank¹⁸ with a total GFA of approximately 71.1 million sq.m. comprising, among others, (i) aggregate GFA completed and unsold¹⁹ of approximately 2.1 million sq.m., (ii) aggregate GFA under development and unsold²⁰ of approximately 36.6 million sq.m., (iii) aggregate GFA held for future development and unsold²⁴ of approximately 6.6 million sq.m., and (iv) aggregate GFA unsold attributable to us for properties developed by our joint ventures and associates²¹ of approximately 10.5 million sq.m. Our land bank is strategically located in regions that constitute the "Three Zones and One Belt (三圈一帶)" in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, which are some of the main high-growth potential areas in the PRC. Underpinned by a fundamental growth strategy to focus on these areas, we continue to improve our geographical mix through replenishment of quality land bank and taking a balanced approach to the distribution of land bank among cities. Besides increasing our land holdings opportunistically, we also strive to provide high-quality real estate products to the market by focusing on every step of the development process, from site selection, planning, landscaping and construction to fitting-out and property management. In this regard, our other businesses, including property management, landscape engineering, door and window engineering and decoration design, create significant synergies with our real estate development efforts, enabling us to optimize our execution efficiency while maintaining effective cost and execution control over the entire real estate development process.

¹⁶ Excluding properties developed by our joint ventures or associates that are not consolidated into our financials.

¹⁷ Excluding properties completed prior to 2017.

¹⁸ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

¹⁹ Excluding properties that are not consolidated into our financials and properties completed prior to 2017.

²⁰ Excluding properties that are not consolidated into our financials.

²¹ Such properties are not consolidated into our financials.

Our primarily revenue contributor is our property development business. For the years ended December 31, 2018, 2019 and 2020, income from our property development segment²² was RMB38,006.2 million, RMB63,109.6 million and RMB82,376.4 million (US\$12,624.7 million), respectively. Our earnings base is further diversified by income from our other core businesses of property management and hotel management, supplemented by our ancillary businesses of, among others, property construction services, new energy and property leasing. In particular, these businesses provide us with a stable and recurring income source. For the years ended December 31, 2018, 2019 and 2020, our consolidated revenues amounted to RMB41,233.7 million, RMB67,773.4 million and RMB87,704.4 million (US\$13,441.3 million), respectively. We have grown steadily in recent years, with net profit increasing from RMB4,020.5 million in 2018 to RMB9,704.4 million (US\$1,487.3 million) in 2020.

KEY FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our business, financial condition and results of operations have been, and we expect will continue to be, affected by a number of key factors and material risks. See “Risk Factors.” We highlight some of the key factors and material risks below.

Economic growth, speed of urbanization and demand for residential properties in China

Economic growth, urbanization and rising standards of living in China have been the main driving forces behind the increasing market demand for residential properties. The growth in demand for residential properties in the PRC in the last decade has often been coupled with volatility in market conditions and fluctuations in property prices. Developments in the economy and the rate of urbanization have in the past increased the demand for residential properties and affected pricing trends in the property sector in the cities and regions where we operate in China. We believe that these factors will continue to significantly affect our results of operations. China’s rate of economic growth has slowed in recent years, and a portion of continuing economic growth has been driven by increased borrowing by local governments and corporations. During 2016, China’s economy grew 6.7% from a year earlier, which was the lowest annual growth rate since 1990. In May 2017, Moody’s downgraded China’s sovereign credit rating for the first time since 1989 and changed its outlook from stable to negative. See “Risk factors – Risks relating to the PRC – PRC economic, political and social conditions, as well as government policies, could affect our business.” Further slowing in China’s economic growth (including as a result of measures designed to control liquidity in the economy) could also affect our results of operations. See “Risk factors – Risks relating to our business – The PRC has experienced a slowdown in its economic development and the future performance of the PRC’s economy is uncertain.” The slowdown of the worldwide economy from 2008 to early 2009, including that of China, resulted in the decline in real estate market sentiment, which have adversely affected property demand and average selling prices and rental prices in many areas of China. It is difficult to determine the impact of any global economic slowdown and financial crisis on the property industry in China. If the global economic slowdown and financial market crisis continue or become more severe than currently estimated, our business prospects, revenues, cash flows and financial condition could be materially and adversely affected.

Changes in the economic conditions in the PRC in general or in cities and regions in which we operate may affect the selling price of our properties as well as the time it will take us to pre-sell or sell the properties we have developed. For example, as a result of changes in the PRC’s economic environment, the growth of the PRC real estate market has slowed down recently with sales volumes or average selling prices decreasing in many major cities. Lower selling prices, without a corresponding decrease in costs, will adversely affect our gross profit and reduce cash flow generated from the sale of our properties, which may increase our reliance on external financing and negatively impact our ability to finance the continuing growth of our business. A prolonged selling period will increase our selling and distribution costs as well as reduce the cash flow generated from the sale of our properties for a particular period. On the other hand, higher selling price and a shorter selling period may increase our gross profit, reduce our selling and distribution costs and increase our cash flow for a particular period to enable us to fund the continuing growth of our business.

Regulatory Environment Relating to Real Estate Industry in the PRC

Our business, financial condition and results of operations have been, and will continue to be, affected by the policies and regulations of the PRC government, particularly those relating to the property development and related industries. In recent years, the PRC government has implemented a series of measures with a view to control the overheating of the real estate markets. From time to time, the PRC government adjusts or introduces macroeconomic policies to encourage or restrict development in the property sector through regulating, among

²² Segment revenue for our property development business, included here and elsewhere in this offering memorandum, did not take into account intersegment eliminations. Also see “– Certain Income Statement Items – Operating Revenue – Intersegment Eliminations”.

others, land grants, pre-sales of properties, bank financing, mortgage and taxation. Measures taken by the PRC government to control money supply, credit availability and fixed assets also have a direct impact on our business. The PRC government may introduce initiatives which may affect our access to capital and the means through which we finance our property developments.

In response to the rising property prices across the country, the PRC government has announced new policies and adopted new measures to curtail speculation in the property market and imposed more stringent requirements on the payment of land premiums by property developers since 2010. These policies include the abolishment of certain preferential treatment in respect of business tax payable upon transfer of residential properties, increased minimum down-payment for mortgage loans, more stringent requirements on the payment of land premium and further limits on the number of residential properties one household can buy. Since 2017, an increasing number of local governments in China had adopted a series of policies in respect of property-purchasing limits and credit limits. See “Risk Factors – Risks Relating to Our Business – The PRC government may adopt further measures to cool down the growth in the property sector” and “Regulation” in this offering memorandum for more details on the relevant PRC laws and regulations.

Availability and Cost of Land

To have a steady stream of properties available for sale and to achieve continuous growth in the long term, we need to replenish and increase land bank suitable for the development of our projects at commercially acceptable prices. Land acquisition costs are one of the primary components of our cost of sales for property development, which is consisted of land premium and where necessary, the cost of demolition of existing buildings and relocation of residents. Cost of land depends on factors such as land use, location and form of land use right and it could significantly affect a property’s profit margin and our profitability. We expect competition among property developers to remain intense for land bank that are suitable for property development, thus increasing the cost of land acquisition going forward. In this regard, we have fully leveraged our dominant position in Chongqing, one of our primary markets and where approximately 24.5% of our land bank²³ is situated, such that our land acquisition costs are relatively lower. For the years ended December 31, 2019 and 2020, our average cost of land was RMB2,678 per sq.m. and RMB3,773 per sq.m., respectively.

In addition, the PRC government controls all new land supply in the PRC and regulates land sales in the secondary market. As a result, the policies of the PRC government towards land supply affect our ability and costs of acquiring land use rights as well as the level of competition for land in the PRC among property developers. For example, although privately held land use rights are not prevented from being traded in the secondary market, the statutory means of public tender, auction and listing-for-sale practice in respect of the grant of state-owned land use rights has increased the competition for available land as well as resulted in increased land acquisition costs. Furthermore, the PRC government has required a minimum down payment of 50% of the land premium, which is required to be paid within one month of signing the land grant contract. The balance is required to be fully paid within one year of signing the land grant contract, subject to limited exceptions. See “Regulation.” Any changes in policies or introduction of new restrictive or stricter policies may materially and adversely affect our cash flow and our ability to acquire suitable land for our operations.

Access to Capital and Cost of Financing

Borrowing is an important source of funding for our property developments. As of December 31, 2018, 2019 and 2020, our total outstanding indebtedness (comprising short-term and long-term borrowings²⁴, non-current liabilities due within one year²⁵, long-term payables, bonds payable and perpetual bonds²⁶) was RMB83,739.3 million, RMB99,562.1 million and RMB99,805.5 million (US\$15,295.9 million), respectively. See “ – Indebtedness.” Bank borrowings accounted for a large portion of our indebtedness as of December 31, 2020. Certain portion of our borrowings are onshore loans from commercial banks in the PRC, the interest rates of which are linked to the benchmark lending rates published by PBOC. As such, any increase in such benchmark lending rates will increase the interest costs for financing our developments. As of December 31, 2020, we had credit facilities in a total amount of RMB207.3 billion (US\$31.8 billion), of which approximately RMB145.8 billion (US\$22.3 billion) remained undrawn. In connection with our property development business, our access to capital

²³ Including properties developed by our joint ventures and associates that are not consolidated into our financials, and those for which we have entered into a land grant contract but have not obtained the land use rights certificate.

²⁴ Short-term borrowings as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to the interest accrued as of the respective dates.

²⁵ Non-current liabilities due within one year as of December 31, 2018, 2019 and 2020, included here, exclude amounts relating to our restricted stock repurchase obligation and the interest accrued as of the respective dates.

²⁶ Perpetual bonds are recorded under the line item “other equity instruments” in our consolidated balance sheets.

and cost of financing are also affected by restrictions imposed from time to time by the PRC government on lending for property development. An increase in our finance costs would negatively affect our profitability and results of operations. Any unavailability of financing would affect our ability to engage in project development activities, which may materially and adversely affect our results of operations.

Pre-sales

Proceeds from pre-sales of properties under development constitute the most important source of our operating cash inflow during our project development process. PRC law allows us to pre-sell properties before their completion upon satisfaction of certain conditions and requires us to use the presale proceeds to develop the projects that are pre-sold. The amount and timing of cash received from pre-sales are affected by a number of factors, including timing and other restrictions on pre-sales imposed by the relevant PRC laws and regulations, market demand and the number for our properties that are available for pre-sale. A restriction on our ability to engage in the pre-sales of our properties could result in a reduced cash inflow, which would increase our reliance on external financing and increase our finance costs, which could have an adverse effect on our ability to finance our continuing property developments and our results of operations.

Timing of Property Development

The number of property developments that a developer can undertake during any particular period is limited due to substantial capital requirements for land acquisitions and construction costs as well as limited land supply. In addition, significant time is required for property developments and it may take many months or possibly years before pre-sales of certain property developments occur. Moreover, while the pre-sale of a property generates positive cash flow for us in the period in which it is made, we must place a portion of such proceeds in restricted bank accounts if there is an existing project loan in respect of the subject property pursuant to the Notice of the General Office of the China Banking Regulatory Commission on Carrying Out Inspection on the Implementation of the “Three Sets of Measures and One Set of Guidelines (中國銀行業監督管理委員會辦公廳關於開展”三個辦法一個指引”落實情況檢查工作的通知)” issued by the China Banking Regulatory Commission (which was merged with the China Insurance Regulatory Commission in April 2018 to form the CBIRC) on November 2, 2010, effective on the same date and may only use such cash for specified purposes, and no sales revenue is recognized in respect of such property until the property is delivered to the purchaser. In addition, as market demand is not stable, sales revenue in a particular period can also depend on our ability to gauge the expected demand in the market at the expected launch time for completion of a particular project, while delays in construction, regulatory approval processes and other factors can adversely affect the timetable of our projects and therefore can potentially have an adverse impact on our recognized revenue. As a result, our results of operations have fluctuated in the past and are likely to continue to fluctuate in the future.

Costs of Labor and Construction Materials

Apart from land costs, our results of operations are affected by the costs of labor, construction materials such as steel and cement, and building equipment. Construction costs typically consist of costs for the design and construction of projects, including payments to third-party contractors and architects. Construction costs of our projects vary according to not only the floor area and height of the buildings, but also the geology of the construction site. Our construction costs are affected by price volatility of construction materials such as steel and cement because we procure most of our construction materials from suppliers directly. Further, we typically pre-sell our properties prior to their completion and we will not be able to pass the increased costs on to our customers if construction costs increase subsequent to the pre-sale. See “Risk Factors – Risks Relating to Our Business – Our business, prospects, financial condition and results of operations may be materially and adversely affected by increases in the cost of labor and construction materials.”

In addition, our construction costs have also been, and we expect will continue to be, affected by rising labor costs in the PRC. As a result of the economic growth and the boom in the property development industry in the PRC, wages for construction workers and the prices of construction materials and building equipment have experienced substantial increase in recent years. Further, the PRC Labor Contract Law (中華人民共和國勞動合同法) that came into effect on January 1, 2008, and revised effective on July 1, 2013, enhanced the protection for employees and increased employers’ liability in many circumstances which may further increase our labor cost. With the overall improvement of living standards in the PRC as well as the PRC government’s recent policies aiming to increase wages of migrant workers, we expect the trend of increasing labor costs to continue in the near future, which in turn will increase our operating costs.

New Business Positioning As a “Quality Living” Provider

We have taken significant initiatives or made significant plans to implement our overall growth strategy of upgrading and evolving from a traditional property developer into a “quality living” provider and enhancing our earnings base. The rapid growth of the PRC economy had led to urbanization, which brought about significant changes in consumer expectations, including the call out for higher-quality and more comprehensive products and services. To keep up with the intensifying competitive landscape and remaining attractive to purchasers, we had to re-evaluate our market positioning and corporate branding. And we believe that becoming an integrated property solutions provider with an offering beyond real estate properties is critical to our future growth. For example, we are advocating a “community” concept – the focus is on one combined package of property developments, property management services and other value-added community services in the areas of, among others, education, healthcare and finance. We are creating systematic platforms to better analyze big data so as to improve our capabilities and anticipate customer needs. We also diversified our property product portfolio into industrial real estate through investments in the comprehensive health, technology and culture tourism industries. All of the foregoing involves or will involve various risks and uncertainties, including difficulties in gaining market recognition, possible inability to maintain competitiveness, insufficient experience with navigating different regulatory regimes or obtaining additional governmental approvals, and the diversion of resources and attention of our management. There can be no assurance that our new strategic positioning and the corresponding transformation of our business model will succeed as intended or at all. However, we believe the successful re-alignment of our business objectives and the transition to this new business model will greatly enhance our prospects as well as augment our profitability.

LAT

Property developers in China that receive income from the sale or transfer of state-owned land use rights, buildings and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the “appreciated value of the property.” LAT applies to both domestic and foreign developers and investors in real properties in China, irrespective of whether they are corporate entities or individuals. However, no LAT is payable for the sale of ordinary residential properties if the appreciation value does not exceed 20% of the “total deductible items,” as such term is defined in the relevant tax laws. Whether a property qualifies for the ordinary standard residential property exemption is determined by the local government taking into consideration the property’s plot ratio, aggregate GFA and sale price. We incurred LAT expenses of RMB980.8 million, RMB2,188.5 million and RMB2,494.3 million (US\$382.3 million) for the years ended December 31, 2018, 2019 and 2020, respectively. We believe we have accrued all LAT payable on our property sales and transfers in accordance with the progressive rates specified in relevant PRC tax laws, less amounts previously paid under the levy method applied by relevant PRC local tax authorities. The provision for LAT requires our management to use a significant amount of judgment and estimates with respect to, among other things, the anticipated proceeds to be derived from the sale of the entire phase of the project or the entire project, the amount of land appreciation and the various deductible items. The relevant PRC local tax authorities may not agree with our estimates or the basis on which we calculate our LAT liabilities. Further, as our operations continue to expand, we will also be subject to LAT as implemented by the local tax authorities in the new markets, and there is no assurance that the LAT obligations we assess and provide for in respect of properties in these new markets will be sufficient to cover the LAT obligations which the local tax authorities ultimately impose on us. If the LAT provisions we have made are substantially lower than the actual LAT amounts assessed by the relevant PRC local tax authorities in the future, our results of operations and cash flows will be materially and adversely affected. See “Regulation.”

CRITICAL ACCOUNTING POLICIES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Our significant accounting policies, which are important for an understanding of our financial condition and results of operation, are set forth in detail in the notes to our consolidated financial statements included in this offering memorandum. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to certain accounting items. In each case, the determination of these items requires management’s judgment based on information and financial data that may change in future periods. When reviewing our consolidated financial statements, you should consider (i) our selection of critical accounting policies; (ii) the judgment and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. See “III. Significant Accounting Policies and Estimates” in the notes to our audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020, included elsewhere in this offering memorandum, for more details.

CERTAIN INCOME STATEMENT ITEMS

Operating Revenue

Our operating revenue represents (i) proceeds from sales of our properties, (ii) income from our property management services, (iii) income from our hotel management services, (iv) income from our wind energy investment and development activities, and (v) income from our other ancillary businesses, including, among others, provision of property construction services, property leasing and materials sales.

The following table sets forth our operating revenue²⁷ attributable to each of the components for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)
	(audited)	(audited)	(audited)	(unaudited)
Property sales.....	38,006,217.0	63,109,610.3	82,376,403.0	12,624,736.1
Property management.....	1,734,006.2	2,309,849.4	2,944,344.1	451,240.5
Hotel management.....	266,737.7	261,477.6	222,958.6	34,169.9
Wind energy investment and development.....	187,544.3	414,502.0	1,393,110.0	213,503.4
Others.....	3,477,603.3	7,496,840.7	11,646,566.7	1,784,914.4
Intersegment eliminations.....	<u>(2,438,431.8)</u>	<u>(5,818,905.5)</u>	<u>(10,878,972.4)</u>	<u>(1,667,275.5)</u>
Total.....	<u>41,233,676.4</u>	<u>67,773,374.5</u>	<u>87,704,410.0</u>	<u>13,441,288.9</u>

Sales of Properties

Our sales revenue consists principally of proceeds from sales of our properties. Because we derive substantially most of our total sales revenue from the property development segment, our results of operations for a given period are dependent upon the GFA of properties we have available for sale during that period, the market demand for those properties and the price we are able to obtain for such properties. Conditions of the property markets in which we operate change from period to period and are affected significantly by the general economic, political and regulatory environment in the PRC as well as in the cities and regions where our property developments are located. See “– Key Factors Affecting Our Financial Condition and Results of Operations.”

Revenue from the sale of a property is recognized when the relevant property has been delivered to the purchaser, we receive or obtain the right to receive the full amount of property sold and all the relevant economic benefit can flow to us. For the year ended December 31, 2018, 2019 and 2020, we recognized revenues for property development of RMB38,006.2 million, RMB63,109.6 million and RMB82,376.4 million (US\$12,624.7 million) in connection with the delivery of an aggregate GFA of 6.0 million sq.m., 9.0 million sq.m. and 10.1 million sq.m., respectively, representing an average realized selling price per sq.m. (calculated by dividing revenue from the property developments by aggregate GFA sold) of approximately RMB6,291, RMB7,049 and RMB8,128 (US\$1,246), respectively.

Consistent with industry practice, we typically enter into purchase contracts with customers while the properties are still under development, after satisfying the conditions for pre-sales according to PRC laws and regulations. See “Business – Pre-sales.” There is a time difference, typically ranging from 18 to 30 months, between the time we commence pre-selling properties under development and the completion of the development. We do not recognize any revenue from the presales of our properties until the relevant properties are delivered to the purchasers, even though we receive payments at various stages prior to delivery. Before the delivery of a pre-sold property upon the completion of development, payments received from our customers are recorded as current liabilities under “advances received” on our balance sheet and reflected in the cash flow statements as “cash received from sales of goods and rendering of services”. As our revenues from sales of properties are recognized upon delivery of properties, the timing of delivery of properties may not only affect the amount and growth rate of our sales revenue, but also cause the amounts of “advances received” to fluctuate from year to year.

²⁷ Segment operating revenue for the years ended December 31, 2018, 2019 and 2020, included here and elsewhere in this offering memorandum, did not take into account intersegment eliminations.

Property Management Services

Operating revenue derived from our property management services, which primarily involve management services provided for residential and commercial properties, is recognized in the year in which services are provided. For 2018, 2019 and 2020, we recognized revenues for property management services of RMB1,734.0 million, RMB2,309.8 million and RMB2,944.3 million (US\$451.2 million), respectively.

Hotel Management Services

Operating revenue derived from our hotel management services, which primarily involve operation of our six hotel properties, is recognized in the year when the services are provided, the relevant economic benefits can flow to us and the relevant cost can be reliably measured. For 2018, 2019 and 2020, we recognized revenues for hotel management services of RMB266.7 million, RMB261.5 million and RMB223.0 million (US\$34.2 million), respectively.

Wind Energy Investment and Development

Our wind energy investment and development business activities refer to our investment in and construction of renewable power projects, which generate electricity for sales. We recognize electricity sales revenue upon supply of electricity to the provincial grid company where our project is located. For 2018, 2019 and 2020, we recognized revenues for wind energy investment and development of RMB187.5 million, RMB414.5 million and RMB1,393.1 million (US\$213.5 million), respectively.

Others

We also derive operating revenue from our other ancillary businesses, namely property construction services, property leasing and materials sales. Our property construction service offerings include, among other things, landscape design and engineering, door and window construction and interior design. We also derive rental revenue arising from the lease of our investment properties and sales of building materials. For 2018, 2019 and 2020, we recognized revenues for other ancillary businesses of RMB3,477.6 million, RMB7,496.8 million and RMB11,646.6 million (US\$1,784.9 million). Income is recognized generally in accordance with the terms of the relevant contracts and agreements with customers. Rental revenue is recognized in accordance with the relevant lease contract when it is probable that the economic benefits will flow to us.

Intersegment Elimination

Due to the nature of our core property development business activities, our subsidiaries transact with one another in our other businesses that are ancillary to our property development efforts, including property management, landscape engineering, door and window engineering, decoration design and material sales. Such intersegment amounts are eliminated on consolidation. Segment operating revenue included in this offering memorandum did not take into account intersegment eliminations.

Operating Cost

Operating cost represents primarily the costs we incur directly for our property development activities, principally, cost of properties sold, which includes construction costs, cost of land use rights, business taxes and interest capitalized. Operating cost also includes costs we incur directly for our property management activities.

The following table sets forth details of our operating cost²⁸ for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)
	(audited)	(audited)	(audited)	(unaudited)
Property sales.....	27,151,998.0	44,734,396.5	63,497,814.6	9,731,465.8
Property management.....	1,408,735.6	1,713,220.0	1,994,394.3	305,654.3
Hotel management.....	91,996.8	83,989.4	68,516.8	10,500.7
Wind energy investment and development.....	94,379.9	198,926.3	1,055,521.3	161,765.7
Others.....	3,170,681.9	6,776,429.5	10,712,579.7	1,641,774.7
Intersegment eliminations.....	(2,465,223.1)	(5,276,902.0)	(9,938,617.5)	(1,523,159.8)

²⁸ Operating cost for each component for the years ended December 31, 2018, 2019 and 2020, included here and elsewhere in this offering memorandum, did not take into account intersegment eliminations.

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Total	29,452,569.1	48,230,059.7	67,390,209.2	10,328,001.4

The principal component of the operating cost for our property development business is the cost of properties sold, which mainly includes the direct cost of construction and the cost of land. Construction costs include all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials, foundation and substructure, fittings and related infrastructure. Historically, construction material and labor costs have been a major cause of the fluctuations in our construction costs. Further, price movements of other supplies used in property developments, including construction equipment and tools, ventilation systems, plant watering systems, elevators and interior decoration materials, may also increase our construction costs. The foundation/ substructure designs and construction process for developments in different localities and the respective costs incurred may vary significantly. Therefore, construction costs of a property development may be higher if the conditions of the site require more complex designs and procedures or more expensive materials in order to provide the desired foundation support. See “– Key Factors Affecting Our Financial Condition and Results of Operations.”

The cost of land includes costs relating to the acquisition of rights to occupy, use and develop land, and primarily represents land premiums incurred in connection with land grants from the PRC government, land-related taxes and government surcharges, or the costs of land obtained in the secondary market by transfer, cooperative arrangement, corporate acquisition or otherwise. Our land costs are influenced by a number of factors, including the location, the timing of the acquisition, the project’s plot ratios, the method of acquisition and changes in PRC regulations.

The operating cost for our property management business primarily consists of direct costs related to such activities and the properties we manage, which include, among other things, staff compensation, cost of public utilities and routine property maintenance costs.

Due to the nature of our core property development business activities, our subsidiaries transact with one another in our other businesses that are ancillary to our property development efforts, including property management, property construction, landscape design and engineering, door and window construction, interior design and sales of building materials. Such intersegment amounts are eliminated on consolidation. Segment operating cost included in this offering memorandum did not take into account intersegment eliminations.

Taxes and Surcharges for Operations

We pay certain taxes and surcharges in connection with our business operations in the PRC, including EIT, business tax, urban maintenance and construction tax, property tax, LAT and educational surcharge.

The following table sets forth the details of the taxes and surcharges, other than EIT, for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Business tax.....	27,958.8	-	-	-
Urban maintenance and construction tax.....	136,139.2	206,605.2	185,296.7	28,398.0
Property tax.....	28,273.8	32,884.9	50,416.8	7,726.7
LAT.....	980,822.8	2,188,451.2	2,494,291.7	382,266.9
Educational surcharge.....	59,628.3	84,609.9	83,881.9	12,855.5
Other taxes.....	174,325.0	194,275.6 ⁽¹⁾	179,305.0	27,479.7
Total	1,407,147.9	2,706,826.8	2,993,192.1	458,726.8

Note:

- (1) Include the prepaid business tax in the amount of RMB4,419,729.89, which was carried over before the change from business tax to value-added tax.

Selling Expenses

Selling expenses primarily consist of advertising expenses in connection with the sales of properties (including advertisements on television and in newspapers, magazines, on billboards, promotional offers made directly to our customers and certain other promotional events), selling and marketing staff costs and other selling expenses. Our selling and marketing costs in any year are affected by the proportion of newly-introduced developments in that year, as well as the degree to which our marketing and branding has penetrated the markets in which we are selling properties. The initial selling and marketing costs for a project are generally higher than the selling and marketing costs for the project's later phases as the project becomes more recognized in the community. We also incur additional selling and marketing costs when we enter into a new market, as part of our efforts to promote our brand name in that market.

The following table sets forth the details of our selling expenses for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)
	(audited)	(audited)	(audited)	(unaudited)
Advertising expenses.....	1,317,039.5	2,357,328.7	1,558,274.4	238,816.0
Employee compensation.....	827,333.9	1,002,387.4	1,110,489.0	170,189.9
Others.....	417,439.0	854,793.8	793,029.9	121,537.1
Total.....	2,561,812.5	4,214,509.9	3,461,793.3	530,543.0

Administrative Expenses

Administrative expenses primarily consist of employee compensation, office administrative expenses, taxes, depreciation and amortization, share incentive fees and others.

Research and Development Expenses

Research and development expenses primarily consist of costs and expenses incurred in relation to our investment in green smart energy-saving building design research.

Financial Expenses

Financial expenses consist primarily of interest expense on bank loans and corporate notes net of capitalized interest. Financial expenses fluctuate from period to period primarily due to fluctuations in our level of outstanding indebtedness and the interest rates on such indebtedness. Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. However, since the development period for a property development does not necessarily coincide with the repayment period of the relevant loan, not all of the financial expenses related to a property development can be capitalized. As a result, the period to period fluctuation of our financial expenses is also attributable to the amount and timing of capitalization.

Gains on Changes in Fair Value of Investment Properties

Investment properties, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both. It also includes properties that are being constructed or developed for future use as investment properties. Our investment properties are initially recognized at cost and are carried at fair value at each balance sheet date based on our management's assessment in accordance with the prevailing industry practice. Changes in fair values are recorded in the income statement as part of a valuation gain or loss in "Gains on changes in fair value".

Assets Impairment Loss

Assets Impairment loss primarily includes bad debt losses and inventory impairment losses.

Investment Income

Investment income mainly includes income from (i) gains from our long-term equity investments under the equity method, (ii) gains from disposal of our long-term equity investments, (iii) available-for-sale financial assets, and (iv) gains from investments in associates and joint ventures.

Income Tax Expenses

Income tax expenses represent mainly PRC EIT payable by us in the PRC. For the years ended December 31, 2018, 2019 and 2020, our effective tax rate (income tax expenses divided by profit before tax) was 22.8%, 23.7% and 20.3%, respectively.

The PRC EIT were calculated at the applicable tax rate on the assessable profits for each of 2018, 2019 and 2020. Under the EIT Law that became effective on January 1, 2008 and amended on February 24, 2017, a uniform income tax rate of 25% was imposed on the taxable income of both domestic enterprises and foreign-invested enterprises.

RESULTS OF OPERATIONS

The following table sets forth our results of operations for the periods indicated which are derived from the consolidated statements of comprehensive income included in this offering memorandum.

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)
	(audited)	(audited)	(audited)	(unaudited)
Operating revenue	41,233,676.4	67,773,374.5	87,704,410.0	13,441,288.9
Total operating cost	35,814,116.6	58,510,620.2	77,433,288.3	11,867,170.6
Including: Operating cost	29,452,569.1	48,230,059.7	67,390,209.2	10,328,001.4
Taxes & surcharges for operations	1,407,147.9	2,706,826.8	2,993,192.1	458,726.8
Selling expenses	2,561,812.5	4,214,509.9	3,461,793.3	530,543.0
Administrative expenses.....	2,339,524.8	2,689,453.8	3,014,786.5	462,036.2
Research and development expenses	3,404.8	41,052.5	92,157.4	14,123.7
Financial expenses.....	49,657.6	628,717.6	481,149.8	73,739.4
Add: Other income	73,489.4	153,712.5	403,227.5	61,797.3
Investment income	(186,233.8)	185,696.0	1,620,318.1	248,324.6
Gains on changes in fair value.....	66,430.3	95,873.3	464,300.0	71,157.1
Credit impairment loss	-	(96,449.9)	(83,244.5)	(12,757.8)
Assets impairment loss	(35,135.5)	(981,480.8)	(410,311.8)	(62,883.0)
Gains on asset disposal.....	460.3	1,510.7	(34,449.0)	(5,279.5)
Operating profit	5,338,570.6	8,621,616.0	12,230,962.0	1,874,476.9
Add: Non-operating revenue	86,583.0	96,299.5	142,436.9	21,829.4
Less: Non-operating expenditures	215,045.4	382,857.0	194,407.3	29,794.2
Profit before tax	5,210,108.2	8,335,058.5	12,178,991.6	1,866,512.1
Less: Income tax.....	1,189,604.2	1,978,060.6	2,474,631.7	379,253.9
Net profit	4,020,504.0	6,356,997.9	9,704,359.9	1,487,258.2
Net profit attributable to owners of parent company.....	3,885,918.5	5,675,826.3	7,030,016.1	1,077,397.1
Non-controlling interests	134,585.5	681,171.6	2,674,343.8	409,861.1

Year Ended December 31, 2020 compared to the Year Ended December 31, 2019

Operating revenue. Our total operating revenue increased by 29.4% from RMB67,773.4 million for the year ended December 31, 2019 to RMB87,704.4 million (US\$13,441.3 million) for the year ended December 31, 2020. This increase in our total operating revenue was in line with the continuous growth of our business:

- *Sales of properties.* Income derived from sales of properties increased by 30.5% from RMB63,109.6 million for the year ended December 31, 2019 to RMB82,376.4 million (US\$12,624.7 million) for the year ended December 31, 2020. This increase was primarily attributable to our steady property sales performance and an increase in total GFA delivered combined with a higher average realized selling price per sq.m. Our total GFA delivered amounted to 10.1 million sq.m. for 2020, compared to 9.0 million sq.m. for 2019. Our average realized selling price per sq.m. amounted to RMB8,128 (US\$1,246) for 2020 compared to RMB7,049 for 2019.
- *Property management services.* Income derived from provision of property management services increased by 27.5% from RMB2,309.8 million for the year ended December 31, 2019 to RMB2,944.3 million (US\$451.2 million) for the year ended December 31, 2020. This increase was

in line with our continued efforts to add more properties to our property management portfolio with total contracted GFA amounting to 277.2 million sq.m. as of December 31, 2020 compared to 248.6 million sq.m. as of December 31, 2019.

- *Hotel management services.* Income derived from provision of hotel management services decreased by 14.7% from RMB261.5 million for the year ended December 31, 2019 to RMB223.0 million (US\$34.2 million) for the year ended December 31, 2020, primarily due to the negative impact on the tourism industry brought about by the COVID-19 pandemic.
- *Wind energy investment and development.* Income derived from wind energy investment and development increased by 236.1% from RMB414.5 million for the year ended December 31, 2019 to RMB1,393.1 million (US\$213.5 million) for the year ended December 31, 2020, primarily due to the expansion into provision of construction and instalment services for wind farms via our two subsidiaries, Jinke New Energy Co., Ltd. (金科新能源有限公司) (“**Jinke New Energy**”), and Chongqing Jinke New Energy Co., Ltd. (重慶金科新能源有限公司).
- *Others.* Income derived from other ancillary businesses increased by 55.4% from RMB7,496.8 million for the year ended December 31, 2019 to RMB11,646.6 million (US\$1,784.9 million) for the year ended December 31, 2020. This increase was primarily attributable to the increased property construction services we provided, including landscape design and construction, door and window engineering, interior design and sales of building materials.
- *Intersegment eliminations.* For the years ended December 31, 2019 and 2020, RMB5,818.9 million and RMB10,879.0 million (US\$1,667.3 million) of our operating revenue, respectively, was offset primarily due to the internal transactions among our subsidiaries relating to our principal businesses for the respective periods.

Operating cost. Our operating cost increased by 39.7% from RMB48,230.1 million for the year ended December 31, 2019 to RMB67,390.2 million (US\$10,328.0 million) for the year ended December 31, 2020. This increase was primarily due to the increase in total GFA delivered and a corresponding increase in land and construction costs, as well as the greater number of properties under our management in 2020 as compared to 2019. For the years ended December 31, 2019 and 2020, RMB5,276.9 million and RMB9,938.6 million (US\$1,523.2 million) of our operating cost, respectively, was offset due to intersegment eliminations. Compared to operating revenue, our operating cost increased at a greater rate. The misaligned increase in our operating cost vis-à-vis our operating revenue was mainly attributable to our pre-sold GFA delivered and recognized as revenue in 2020 compared to 2019 having a lower gross profit margin as a result of changes in PRC real estate market conditions and the negative repercussions of the COVID-19 pandemic, as well as the impact of our business of providing EPC construction and instalment services for wind farms, which has a lower gross profit margin than our power generation activities.

Taxes and surcharges for operations. Our taxes and surcharges for operations increase by 10.6% from RMB2,706.8 million for the year ended December 31, 2019 to RMB2,993.2 million (US\$458.7 million) for the year ended December 31, 2020. This increase was primarily attributable to the increased GFA delivered and the corresponding 30.5% increase in revenue generated from the delivered properties.

Selling expenses. Our selling expenses decreased by 17.9% from RMB4,214.5 million for the year ended December 31, 2019 to RMB3,461.8 million (US\$530.5 million) for the year ended December 31, 2020. This decrease was primarily attributable to our budget control measures implemented.

Administrative expenses. Our administrative expenses increased by 12.1% from RMB2,689.5 million for the year ended December 31, 2019 to RMB3,014.8 million (US\$462.0 million) for the year ended December 31, 2020. This increase was primarily attributable to increases in salaries of employees and staff and office expenses as a result of the growth in our business scale.

Research and development expenses. We incurred research and development expenses of RMB92.2 million (US\$14.1 million) for the year ended December 31, 2020 as compared to RMB41.1 million for the year ended December 31, 2019. This was primarily because we continued to step up research efforts relating to smart living technology solutions and building and community features for our property developments and property management services.

Financial expenses. Our financial expenses decreased by 23.5% from RMB628.7 million for the year ended December 31, 2019 to RMB481.1 million (US\$73.7 million) for the year ended December 31, 2020. This increase was primarily attributable to the increase in interest income.

Other income. Our other income increased by 162.3% from RMB153.7 million for the year ended December 31, 2019 to RMB403.2 million (US\$61.8 million) for the year ended December 31, 2020. This was primarily attributable to our receipt of increased financial subsidies and industry support development funds, the latter of which we did not receive in 2019.

Investment income. We had investment income of RMB1,620.3 million (US\$248.3 million) for the year ended December 31, 2020 compared to RMB185.7 million for the year ended December 31, 2019. This was primarily attributable to income recorded from long-term equity investments under the equity method of RMB1,302.6 million.

Gains on changes in fair value. We recorded gains on changes in fair value of RMB464.3 million (US\$71.2 million) for the year ended December 31, 2020 compared to gains on changes in fair value of RMB95.9 million for the year ended December 31, 2019. This was primarily attributable to gains from changes in fair value of certain of our investment properties due to such properties having appreciated in value as a result of improved local market conditions.

Credit Impairment loss. We recorded credit impairment loss of RMB83.2 million (US\$12.8 million) for the year ended December 31, 2020 compared to RMB96.4 million for the year ended December 31, 2019, primarily due to bad debt losses.

Assets Impairment loss. We recorded assets impairment loss of RMB410.3 million (US\$62.9 million) for the year ended December 31, 2020 compared to assets impairment loss of RMB981.5 million for the year ended December 31, 2019. This was primarily due to our provision for inventory write-down.

Operating profit. As a result of the foregoing, our operating profit increased by 41.9% from RMB8,621.6 million for the year ended December 31, 2019 to RMB12,231.0 million (US\$1,834.6 million) for the year ended December 31, 2020. However, as a result of the greater increase in our operating costs as compared to our operating revenue, our operating profit margin decreased to 23.2% for the year ended December 31, 2020 from 28.8% for the year ended December 31, 2019.

Non-operating revenue. Non-operating revenue increased by 47.9% from RMB96.3 million for the year ended December 31, 2019 to RMB142.4 million (US\$21.8 million) for the year ended December 31, 2020. This increase was primarily due to increased gains from contractual penalties and default fines.

Non-operating expenditures. Non-operating expenditures decreased by 49.2% from RMB382.9 million for the year ended December 31, 2019 to RMB194.4 million (US\$29.8 million) for the year ended December 31, 2020. This decrease was primarily attributable to decreases in charitable donations and compensation expenditures.

Profit before tax. As a result of the foregoing, our profit before tax increased by 46.1% from RMB8,335.1 million for the year ended December 31, 2019 to RMB12,179.0 million (US\$1,866.5 million) for the year ended December 31, 2020.

Income tax expenses. Our income tax expenses increased by 25.1% from RMB1,978.1 million for the year ended December 31, 2019 to RMB2,474.6 million (US\$379.3 million) for the year ended December 31, 2020. This increase was largely due to increases in both current tax expenses and deferred tax expenses as a result of the increase in our taxable income and the increase in fair value of our investment properties, respectively.

Net profit. As a result of the foregoing, our profit for the period increased by 52.7% from RMB6,357.0 million for the year ended December 31, 2019 to RMB9,704.4 million (US\$1,487.3 million) for the year ended December 31, 2020. Net profit margin²⁹ increased from 9.4% for the year ended December 31, 2019 to 11.1% for the year ended December 31, 2020.

Dividends. We declared cash dividends in the aggregate amount of RMB2,399.1 million (US\$367.7 million) for the year ended December 31, 2020, as compared to RMB2,399.3 million for the year ended December 31, 2019 which was paid in July 2020.

²⁹ Net profit margin is calculated by dividing net profit for the period by operating revenue.

Year Ended December 31, 2019 compared to the Year Ended December 31, 2018

Operating revenue. Our operating revenue increased by 64.4% from RMB41,233.7 million for the year ended December 31, 2018 to RMB67,773.4 million for the year ended December 31, 2019. This increase in our operating revenue was in line with the stable growth of our business:

- *Sales of properties.* Income derived from sales of properties increased by 66.1% from RMB38,006.2 million for the year ended December 31, 2018 to RMB63,109.6 million for the year ended December 31, 2019. This increase was primarily attributable to an increase in total GFA delivered combined with a higher average realized selling price per sq.m. Our total GFA delivered amounted to 9.0 million sq.m. for 2019, compared to 6.0 million sq.m. for 2018. Our average realized selling price per sq.m. amounted to RMB7,049 for 2019 compared to RMB6,291 for 2018. This was enabled by the substantial increase in our total GFA completed in 2019, which amounted to 12.1 million sq.m., an approximate 49.1% increase from 8.1 million sq.m. in 2019.
- *Property management services.* Income derived from provision of property management services increased by 33.2% from RMB1,734.0 million for the year ended December 31, 2018 to RMB2,309.8 million for the year ended December 31, 2019. This increase was primarily attributable to the successful expansion of our property management portfolio with 202 new properties, which brought our total GFA under management to approximately 156.2 million sq.m. and extended our geographical reach to 152 cities and regions in the PRC.
- *Hotel management services.* Income derived from provision of hotel management services decreased by 2.0% from RMB266.7 million for the year ended December 31, 2018 to RMB261.5 million for the year ended December 31, 2019.
- *Wind energy investment and development.* Income derived from wind energy investment and development increased by 121.1% from RMB187.5 million for the year ended December 31, 2019 to RMB414.5 million (US\$63.5 million) for the year ended December 31, 2020, primarily due to our Hami Huaranjingxia Project which was completed and put into commercial operation and a significant increase in electricity revenue from our wind power projects in China following the relaxation of the wind curtailment ratio by the government that limited our volume of power generation.
- *Others.* Income derived from other ancillary businesses increased by 115.6% from RMB3,477.6 million for the year ended December 31, 2018 to RMB7,496.8 million for the year ended December 31, 2019. This increase was primarily attributable to significant increases in revenue from our provision of property construction services related to landscape design and construction, door and window engineering, interior design and sales of building materials.
- *Intersegment eliminations.* For the years ended December 31, 2018 and 2019, RMB2,438.4 million and RMB5,818.9 million of our operating revenue, respectively, was offset primarily due to the internal transactions among our subsidiaries relating to our principal businesses for the respective periods.

Operating cost. Our operating cost increased by 63.8% from RMB29,452.6 million for the year ended December 31, 2018 to RMB48,230.1 million for the year ended December 31, 2019. This increase was in line with our increase in operating revenue, particularly with respect to our property development and property management businesses. For the years ended December 31, 2018 and 2019, RMB2,465.2 million and RMB5,276.9 million of our operating costs, respectively, was offset due to intersegment eliminations.

Taxes and surcharges for operations. Our taxes and surcharges for operations increased by 92.4% from RMB1,407.1 million for the year ended December 31, 2018 to RMB2,706.8 million for the year ended December 31, 2019. This increase was primarily attributable to a 123.1% increase in our LAT expenses as a result of our increased revenue recognized from total GFA delivered and the higher profit margin of the relevant properties of such GFA delivered.

Selling expenses. Our selling expenses increased by 64.5% from RMB2,561.8 million for the year ended December 31, 2018 to RMB4,214.5 million for the year ended December 31, 2019. This increase was primarily attributable to the increase in the total number of new property projects that we commenced in 2019 compared to 2018, as well as an increase in our pre-sales of properties.

Administrative expenses. Our administrative expenses increased by 15.0% from RMB2,339.5 million for the year ended December 31, 2018 to RMB2,689.5 million for the year ended December 31, 2019. This increase was primarily attributable to an increase in employee compensation and office administrative expenses, and partially offset by a decrease in equity incentives expense.

Research and development expenses. We incurred research and development expenses of RMB41.1 million (US\$6.3 million) for the year ended December 31, 2019 as compared to RMB3.4 million for the year ended December 31, 2018. This was primarily because we increased our research team and efforts relating to green energy-saving real estate features and smart technology solutions as part of our overall strategy to upgrade and evolve from a traditional property developer into a “quality living” provider.

Financial expenses. Our financial expenses increased by 1,166.1% from RMB49.7 million for the year ended December 31, 2018 to RMB628.7 million for the year ended December 31, 2019. This significant increase was primarily attributable to a 77.8% increase in interest expenses from RMB543.2 million for the year ended December 31, 2018 to RMB965.8 million for the year ended December 31, 2019 due to an increase in our interest-bearing indebtedness, and further compounded by a decrease in interest income from RMB537.5 million for the year ended December 31, 2018 to RMB413.1 million for the year ended December 31, 2019.

Other income. Our other income increased by 109.1% from RMB73.5 million for the year ended December 31, 2018 to RMB153.7 million (US\$23.6 million) for the year ended December 31, 2019. This was primarily attributable to increases in special fiscal subsidies for supporting fees and financial subsidies.

Investment income. We had investment income of RMB185.7 million for the year ended December 31, 2019 compared to an investment loss of RMB186.2 million for the year ended December 31, 2018. This was primarily attributable to income recorded from long-term equity investments under the equity method of RMB184.6 million.

Gains on changes in fair value. We recorded gains from changes in fair value of RMB95.9 million for the year ended December 31, 2019 compared to gains of RMB66.4 million for the year ended December 31, 2018. This was primarily attributable to gains from changes in fair value of our investment properties due to such properties having appreciated in value as a result of improved local market conditions.

Credit Impairment loss. We recorded credit impairment loss of RMB96.4 million for the year ended December 31, 2019 compared to nil for the year ended December 31, 2018, primarily due to bad debt losses.

Assets Impairment loss. We recorded assets impairment loss of RMB981.5 million for the year ended December 31, 2019 compared to RMB35.1 million for the year ended December 31, 2018, primarily due to inventory write-down losses as a result of a decline in prices of our properties.

Operating profit. As a result of the foregoing, our operating profit increased by 61.5% from RMB5,338.6 million for the year ended December 31, 2018 to RMB8,621.6 million for the year ended December 31, 2019. Our operating profit margin was 28.8% for the year ended December 31, 2019 as compared to 28.6% for the year ended December 31, 2018.

Non-operating revenue. Non-operating revenue increased by 11.2% from RMB86.6 million for the year ended December 31, 2018 to RMB96.3 million for the year ended December 31, 2019. This increase was primarily due to increased gains from contractual penalties and default fines.

Non-operating expenditures. Non-operating expenditures increased by 78.0% from RMB215.1 million for the year ended December 31, 2018 to RMB382.9 million for the year ended December 31, 2019. This increase was primarily attributable to increases in charitable donations, compensation expenditures and late fees.

Profit before tax. As a result of the foregoing, our profit before tax increased by 60.0% from RMB5,210.1 for the year ended December 31, 2018 to RMB8,335.1 million for the year ended December 31, 2019.

Income tax expenses. Our income tax expenses increased by 66.3% from RMB1,189.6 million for the year ended December 31, 2018 to RMB1,978.1 million for the year ended December 31, 2019. This increase was largely due to an increase in our taxable income, mostly at a taxable rate of 25%, for 2019.

Net profit. As a result of the foregoing, our profit for the period increased by 58.1% from RMB4,020.5 million for the year ended December 31, 2018 to RMB6,357.0 million for the year ended December 31, 2019. Net

profit margin³⁰ decreased slightly from 9.8% for the year ended December 31, 2018 to 9.4% for the year ended December 31, 2019.

Dividends. We declared cash dividends in the aggregate amount of RMB2,399.3 million for the year ended December 31, 2019, which was paid in July 2020, as compared to RMB1,918.3 million for the year ended December 31, 2018 which was paid in June 2019.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth our net cash flow for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)
	(audited)	(audited)	(audited)	(unaudited)
Net cash flows (used in)/from operating activities.....	1,329,109.5	2,238,735.2	14,507,907.2	2,223,434.1
Net cash flows (used in)/from investing activities.....	(8,001,153.5)	(11,988,837.6)	(17,107,953.3)	(2,621,908.6)
Net cash flows (used in)/from financing activities.....	17,974,744.1	15,153,591.2	10,461,938.6	1,603,362.2
Effect of foreign exchange rate changes on cash and cash equivalents.....	-	(10.1)	(41,333.8)	(6,334.7)
Net Increase in cash and cash equivalents	11,302,700.1	5,403,478.7	7,820,558.7	1,198,553.1
Add: Opening balance of cash and cash equivalents.....	18,180,884.8	29,483,584.8	34,887,063.5	5,346,676.4
Closing balance of cash and cash equivalents.....	29,483,584.8	34,887,063.5	42,707,622.2	6,545,229.5

Cash Flows Used in/From Operating Activities

Our cash used in operating activities principally comprises amounts we pay for our property development and management activities. Our cash provided by operating activities is primarily generated from the proceeds from the sales of our properties, including pre-sales of properties under development, and income received from our property and hotel management businesses, our wind energy investment and development business and other ancillary business activities.

For the year ended December 31, 2020, we had net cash generated from operating activities of RMB14,507.9 million (US\$2,223.4 million), primarily attributable to cash inflow as a result of proceeds from sales of goods or rendering services of RMB127,980.1 million (US\$19,613.8 million) and other cash receipts related to operating activities of RMB56,607.4 million (US\$8,675.5 million). This cash inflow was partially offset by the cash outflow attributable to payment for goods and services of RMB89,737.6 million (US\$13,752.9 million), payment to and for employees of RMB6,285.6 million (US\$963.3 million), payments for taxes of RMB7,716.4 million (US\$1,182.6 million) and payments to other operating activities of RMB66,358.3 million (US\$10,169.9 million).

For the year ended December 31, 2019, we had net cash generated from operating activities of RMB2,238.7 million, primarily attributable to cash inflow as a result of proceeds from sales of goods or rendering services of RMB112,826.1 million and other cash receipts related to operating activities of RMB42,989.1 million. This cash inflow was partially offset by the cash outflow attributable to payment for goods and services of RMB88,949.4 million, payment to and for employees of RMB5,624.7 million, payment for taxes of RMB7,983.1 million and payments to other operating activities of RMB51,034.2 million.

For the year ended December 31, 2018, we had net cash generated from operating activities of RMB1,329.1 million, primarily attributable to cash inflow as a result of proceeds from sales of goods or rendering services of RMB85,102.5 million and other cash receipts related to operating activities of RMB35,802.7. This cash inflow was partially offset by the cash outflow attributable to payment for goods and services of RMB67,062.6 million, payment to and for employees of RMB4,009.3 million, payments for taxes of RMB7,074.6 million and payments to other operating activities of RMB41,434.0 million.

³⁰ Net profit margin is calculated by dividing net profit for the period by operating revenue.

Cash Flows Used in/From Investing Activities

For the year ended December 31, 2020, we had net cash used in investing activities of RMB17,108.0 million (US\$2,621.9 million), primarily attributable to cash outflow as a result of payments for investments of RMB10,067.5 million (US\$1,542.9 million), payments relating to other investing activities of RMB3,467.8 million (US\$531.5 million), net cash paid to acquire subsidiaries and other units of RMB4,426.9 million (US\$678.5 million) and cash paid for acquisition of fixed assets, intangible assets and other long-term assets of RMB345.4 million (US\$52.9 million), which was partially offset by the cash inflow attributable to proceeds from disposal of investments of RMB957.4 million (US\$146.7 million) and net cash received from disposal of subsidiaries and other business units of RMB50.4 million (US\$7.7 million).

For the year ended December 31, 2019, we had net cash used in investing activities of RMB11,988.8 million, primarily attributable to cash outflow as a result of cash paid for acquisition of fixed assets, intangible assets and other long-term assets of RMB931.7 million, payments for investments of RMB5,109.1 million, net cash paid to acquire subsidiaries and other units of RMB921.7 million and payments relating to other investing activities of RMB5,345.2 million, which was partially offset by the cash inflow attributable to proceeds from disposal of investments of RMB317.1 million.

For the year ended December 31, 2018, we had net cash used in investing activities of RMB8,001.2 million, primarily attributable to cash outflow as a result of payments for investments of RMB4,025.7 million, payments relating to other investing activities of RMB3,475.4 million, net cash paid to acquire subsidiaries and other units of RMB2,035.1 million and cash paid for acquisition of fixed assets, intangible assets and other long-term assets of RMB277.2 million, which was partially offset by the cash inflow attributable to proceeds from disposal of investments of RMB325.0 million and net cash received from disposal of subsidiaries and other business units of RMB1,272.2 million.

Cash Flows Used in/From Financing Activities

For the year ended December 31, 2020, we had net cash generated from financing activities of RMB10,461.9 million (US\$1,603.4 million), primarily attributable to cash inflow as a result of cash received from borrowings of RMB82,176.7 million (US\$12,594.1 million) and cash received from capital contribution of RMB16,336.1 million (US\$2,503.6 million). This cash inflow was partially offset by the cash outflow as a result of cash payment for repayments of borrowings of RMB75,930.6 million (US\$11,636.9 million) and cash payment for interest expenses and distribution of dividends or profits of RMB11,045.7 million (US\$1,692.8 million).

For the year ended December 31, 2019, we had net cash generated from financing activities of RMB15,153.6 million, primarily attributable to cash inflow as a result of cash received from borrowings of RMB70,032.9 million and cash received from capital contribution of RMB8,955.8 million. This cash inflow was partially offset by the cash outflow as a result of cash payment for repayments of borrowings of RMB52,217.9 million and cash payment for interest expenses and distribution of dividends or profits of RMB9,872.5 million.

For the year ended December 31, 2018, we had net cash generated from financing activities of RMB17,974.7 million, primarily attributable to cash inflow as a result of cash received from borrowings of RMB57,641.2 million and cash received from capital contribution of RMB9,370.1 million. This cash inflow was partially offset by the cash outflow as a result of cash payment for repayments of borrowings of RMB41,888.3 million and cash payment for interest expenses and distribution of dividends or profits of RMB6,990.7 million.

Capital Resources

We require substantial capital investment for our business operations and development. We principally fund our property developments from proceeds from sales and pre-sales of our properties, income from our property management and ancillary businesses, in addition to our external financing sources such as borrowings from banks. As of December 31, 2020, we had undrawn credit facilities in the aggregate amount of RMB145.8 billion (US\$22.3 billion). As of December 31, 2020, we had an undrawn domestic bond issuance aggregate quota of RMB12.7 billion (US\$1.9 billion).

Taking into account the estimated net proceeds from the offering of the Notes, available credit facilities and cash flows from our operations, we believe we have sufficient working capital for our near-term requirements and foreseeable debt repayment obligations.

We intend to continue to fund our future development and debt servicing from existing financial resources and cash generated from operations. We may also raise additional funds through debt or equity offerings or sales

or other dispositions of assets in the future to finance all or a portion of our future development, for debt servicing or for other purposes. Our ability to obtain adequate financing to satisfy our debt service requirements may be limited by our financial condition and results of operations and the liquidity of international and domestic financial markets. Any failure by us to achieve timely rollover, extension or refinancing of our short-term debt may result in inability to meet our obligations in connection with debt service, accounts payable and/or other liabilities when they become due and payable.

INDEBTEDNESS

As of December 31, 2018, 2019 and 2020, our total outstanding indebtedness amounted to RMB83,739.3 million, RMB99,562.1 million and RMB99,805.5 million (US\$15,295.9 million), respectively. Our indebtedness primarily consists of loans from commercial banks and other financial institutions.

The following table sets forth the details of our total outstanding indebtedness as of the dates indicated:

	Year ended December 31,			
	2018	2019	2020	
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(US\$'000) (unaudited)
Current indebtedness				
Short-term borrowings ⁽¹⁾	3,196,200.0	3,048,915.5	10,279,605.8	1,575,418.5
Non-current liabilities due within one year ⁽²⁾	24,326,345.1	28,603,954.3	22,242,114.4	3,408,753.2
Total current borrowings	27,522,545.1	31,652,869.8	32,521,720.2	4,984,171.7
Non-current indebtedness				
Long-term borrowings.....	47,370,128.7	52,381,951.3	52,734,580.1	8,081,928.0
Long-term payables.....	746,194.0	1,192,342.2	580,343.9	88,941.6
Bonds payable.....	6,400,460.9	13,534,958.0	11,827,121.2	1,812,585.6
Perpetual bonds ⁽³⁾	1,700,000.0	800,000.0	2,141,770.0	328,240.6
Total non-current borrowings	56,216,783.6	67,909,251.5	67,283,815.2	10,311,695.8
Total	83,739,328.7	99,562,121.3	99,805,535.4	15,295,867.5

Notes:

- (1) Short-term borrowings as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to the interest accrued as of the respective dates.
- (2) Non-current liabilities due within one year as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating our restricted stock repurchase obligation and the interest accrued as of the respective dates.
- (3) Perpetual bonds are recorded under the line item "other equity instruments" in our consolidated balance sheets.

Subsequent to December 31, 2020, we have incurred additional borrowings in the ordinary course of business and our total outstanding indebtedness (including short-term and long-term borrowings (not excluding the amounts relating to the interest accrued), noncurrent liabilities due within one year (not excluding the amounts relating to our restricted stock repurchase obligation and the interest accrued), long-term payables, bonds payable and perpetual bonds) was RMB101,815.2 million (US\$15,603.9 million) as of March 31, 2021.

Bank Borrowings

We and certain of our PRC subsidiaries have entered into loan agreements with local branches of various PRC banks, including but not limited to Industrial and Commercial Bank of China, Agricultural Bank of China and China CITIC Bank. These loans are mainly used to finance our business and our working capital requirements.

Consistent with others in the industry, we monitor capital on the basis of our debt to capital ratio. This ratio is calculated as total interest-bearing liabilities (comprising short-term and long-term borrowings³¹, non-current liabilities due within one year³², long-term payables, bonds payable and perpetual bonds³³) divided by total capital.

³¹ Short-term borrowings as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to the interest accrued as of the respective dates.

³² Non-current liabilities due within one year as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to our restricted stock repurchase obligation and the interest accrued as of the respective dates.

³³ Perpetual bonds are recorded under the line item "other equity instruments" in our consolidated balance sheets.

Total capital is calculated as total equity plus total interest-bearing liabilities. As of December 31, 2018, 2019 and 2020, our debt to capital ratio was approximately 68.9%, 65.6% and 57.6%, respectively.

We continue to enter into short-term and long-term borrowings in the ordinary course of business, including construction and project loans, to finance our operations. As of December 31, 2020, we had credit facilities in a total amount of RMB207.3 billion (US\$31.8 billion), of which approximately RMB145.8 billion (US\$22.3 billion) remained undrawn, details of which are set forth in the following table.

Bank	Credit Facilities <i>(RMB in billions)</i>	Undrawn Amount <i>(RMB in billions)</i>
Bank of China.....	10.0	7.3
Industrial and Commercial Bank of China.....	10.0	2.5
Agricultural Bank of China.....	4.0	1.4
China Construction Bank.....	4.3	1.1
China Bohai Bank.....	40.0	36.6
Huaxia Bank.....	20.0	17.3
China Minsheng Bank.....	28.0	14.9
China CITIC Bank.....	16.0	10.2
Industrial Bank.....	10.0	7.3
Shanghai Pudong Development Bank.....	12.0	6.9
Postal Savings Bank of China.....	1.0	1.0
Others.....	52.0	39.3
Total.....	207.3	145.8

Debt Securities

As of the date of this offering memorandum, we have also issued one series of asset-backed securities in an aggregate amount of RMB1.7 billion (US\$258.2 million), and four medium term note programs in an aggregate amount of RMB3.8 billion (US\$582.4 million). For more information on our material indebtedness, see “Description of Other Material Indebtedness.”

As of April 30, 2021, our approved but unissued quota of domestic debt securities, including asset-backed securities and asset-backed notes, amounted to approximately RMB10.4 billion, including a registered but unissued quota of interbank non-financial institution debt financing instruments, supply chain asset-backed notes and other products of approximately RMB1.4 billion; RMB8.0 million of exchange-traded general corporate bonds for which we had received no objection letters and with a remaining issuance quota of RMB5.05 billion; and the approved shelf issuance of RMB8.0 billion of supply chain asset-backed securities with a remaining issuance quota of RMB3.85 billion.

CAPITAL COMMITMENTS

As of December 31, 2020, our contractual obligations in connection with our business activities, mainly arise from committed payment for purchase of land use rights.

The following table sets forth our capital commitments as of December 31, 2020:

	As of December 31, 2020	
	(RMB'000) (audited)	(US\$'000) (unaudited)
Less than five years.....	4,441.1	680.6
Total.....	4,441.1	680.6

CONTINGENCIES

As of December 31, 2020, we provided guarantees to PRC banks for loans with an aggregate principal amount of RMB38.7 billion (US\$5.9 billion) in respect of mortgages provided by the banks to purchasers of the properties we developed and sold. These guarantees are released upon completion of construction and delivery of the mortgage registration documents to the relevant banks after the issue of the building ownership certificate. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by purchasers of the properties, we are responsible to repay the outstanding mortgage loans, together with accrued interests thereon and any penalty owed by the purchasers in default to banks. We are entitled to take over the legal title of the related properties.

As of December 31, 2020, we also provided guarantees for loans of independent third parties with an aggregate principal amount of RMB18,061.4 million (US\$2,768.0 million) and we pledged all or part of our shareholdings interests in certain of our subsidiaries to secure various credit facilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this offering memorandum, except for the contingent liabilities set forth above, we have not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, or credit support to us or engages in leasing or hedging activities with us.

MARKET RISKS

We are, in the normal course of business, exposed to market risks primarily relating to fluctuations in interest rates, commodity prices, foreign exchange rates and the inflation rate.

Interest Rate Risk

Our business is sensitive to fluctuations in interest rates. As of the date of this offering memorandum, the majority of our bank borrowings are floating rate borrowings. Any increase in interest rates will increase the cost of our financing. We currently do not hedge our interest rate risk but may do so in the future.

An increase in interest rates may also adversely affect prospective purchasers' ability to obtain financing and depress overall housing demand. Higher interest rates may adversely affect our operating revenue and profits. PBOC benchmark one-year lending rate in China (which directly affects the property mortgage rates offered by commercial banks in the PRC) as of each of December 31, 2018, 2019 and 2020 was 4.35%, 4.15% and 3.85%. We currently do not use any derivative instruments to hedge our interest rate risk. There is no assurance that PBOC will not raise lending rates in the future or that our business, financial condition and results of operations will not be adversely affected as a result of these adjustments.

Commodities Risk

We are exposed to fluctuations in the prices of raw materials for our property developments, primarily steel and cement. Accordingly, rising prices for construction materials and nonferrous metals will affect our costs. As a result, fluctuations in the prices of our construction materials have a significant impact on our results of operations. We do not engage in any hedging activities.

Foreign Exchange Rate Risk

We conduct our business principally in Renminbi. As of December 31, 2020, all or substantially all of our assets and liabilities were denominated in Renminbi. Depending on the timing of the conversion of proceeds from this offering into Renminbi, an appreciation of the Renminbi against the U.S. dollar would be likely to adversely affect the amount of Renminbi proceeds we receive from this offering. A depreciation of the Renminbi against the U.S. dollar would have the opposite effect. We have engaged cross currency swaps in relation to the issuance of our offshore debt securities in 2019. See "Risk Factors – Risks Relating to the Notes – We may be subject to risks presented by fluctuations in exchange rates between the Renminbi and other currencies, particularly the U.S. dollar."

Inflation Rate Risk

According to the World Bank, China's overall national inflation rate, as represented by the general consumer price index, was approximately 2.1%, 2.9% and 2.5% for the years ended December 31, 2018, 2019 and 2020, respectively. Deflation could negatively affect our business as it would be a disincentive for prospective property buyers to make a purchase.

INDUSTRY OVERVIEW

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

Overview of the PRC Economy

From 2003 to 2007, China's real GDP grew at a CAGR of approximately 11.0%, making it one of the fastest growing major economies in the world. Amid the global financial crisis, China achieved an annual real GDP growth of 9.6% in 2008 and maintained positive economic growth throughout the crisis. China was among the first countries to recover from the global financial crisis. In February 2011, it overtook Japan to become the world's second largest economy. China's nominal GDP increased from approximately RMB34,090 billion in 2009 to approximately RMB98,560 billion in 2019, reflecting a CAGR of approximately 10.9%. In 2020, the Covid-19 pandemic and the severe lockdowns imposed by the PRC government earlier in the year proved to be a major drain on growth, and according to the National Bureau of Statistics, China's real GDP growth was approximately 2.3% in 2020.

The table below sets out selected economic statistics of China for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMBbn).....	34,090	39,798	47,310	51,932	56,885	63,646	67,671	74,413	82,712	88,740	98,560
Real GDP growth rate (%).....	9.2	10.4	9.3	7.8	7.7	7.3	6.9	6.7	6.9	6.6	6.1
Nominal GDP per capita (RMB).....	25,608	30,015	35,198	38,459	41,908	47,203	53,533	53,980	59,660	66,006	70,892
Fixed asset investment (RMBbn).....	22,460	27,812	31,149	37,469	44,707	51,202	56,200	60,647	63,168	63,564	55,148
Fixed asset investment growth (%)...	30.0	23.8	12.0	20.3	19.3	15.2	9.8	7.9	4.2	5.9	5.1

Sources: National Bureau of Statistics, Provincial/local statistics department

Urbanization

Strong economic growth has encouraged the rapid urbanization and population growth in selected cities in China. The urbanization rate in China has increased significantly from 46.6% in 2009 to 61.7% in 2019.

The table below sets out China's urbanization rate for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Urban population (million)....	622	666	691	712	731	749	771	793	814	843	864
Total population (million).....	1,341	1,371	1,347	1,354	1,361	1,368	1,375	1,383	1,391	1,395	1,400
Urbanization rate (%).....	46.6	49.7	51.3	52.6	53.7	54.8	56.1	57.3	58.5	59.1	61.7

Sources: National Bureau of Statistics, Provincial/local statistics department

Disposable Income

The strong growth of the PRC economy has contributed to the rise in disposable income in China. Per capita disposable income of urban households grew steadily between 2009 and 2019 at a CAGR of 9.4%.

The table below sets out the per capita disposable income of urban households over the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Per capita disposable income of urban households (RMB).....	17,175	19,109	21,810	24,565	26,955	28,844	31,195	33,616	36,396	39,251	42,359

Sources: National Bureau of Statistics, Provincial/local statistics department

Overview of the PRC Property Market

Between 2009 and 2019

Favorable economic conditions in the PRC have contributed to the strong growth of the PRC property market. From 2009 to 2019, total investments in real estate development in China increased at a CAGR of 13.8% and the total GFA of commodity properties sold increased at a CAGR of 6.1%.

The table below sets out certain information about the PRC property market over the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Commodity properties											
Total real estate investment (RMB billion)	3,624	4,826	6,180	7,180	8,601	9,504	9,598	10,258	10,980	12,026	13,219
Total GFA under construction (million sq.m.).....	3,204	4,054	5,068	5,734	6,656	7,265	7,357	7,590	7,815	8,223	8,938
Total GFA sold (million sq.m.)	948	1,048	1,094	1,113	1,306	1,206	1,285	1,573	1,694	1,717	1,716
Residential properties											
Total real estate investment (RMB billion)	2,561	3,404	4,432	4,937	5,895	6,435	6,460	6,870	7,715	8,519	9,707
Total GFA under construction (million sq.m.).....	2,153	3,148	3,877	4,290	4,863	5,151	5,116	5,213	5,364	5,700	6,277
Total GFA sold (million sq.m.)	862	934	965	985	1,157	1,052	1,124	1,375	1,448	1,479	1,501

Sources: National Bureau of Statistics, Provincial/local statistics department

Prices for real estate in the PRC experienced steady growth between 2009 and 2019, with the average price of commodity properties growing at a CAGR of 7.1% over the same period.

The table below sets out average property prices in the PRC over the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average price of commodity properties (RMB per sq.m.) .	4,681	5,032	5,357	5,791	6,237	6,324	6,793	7,476	7,892	8,737	9,310
Average price of residential properties (RMB per sq.m.) .	4,459	4,725	4,993	5,430	5,850	5,932	6,472	7,203	7,614	8,544	9,287

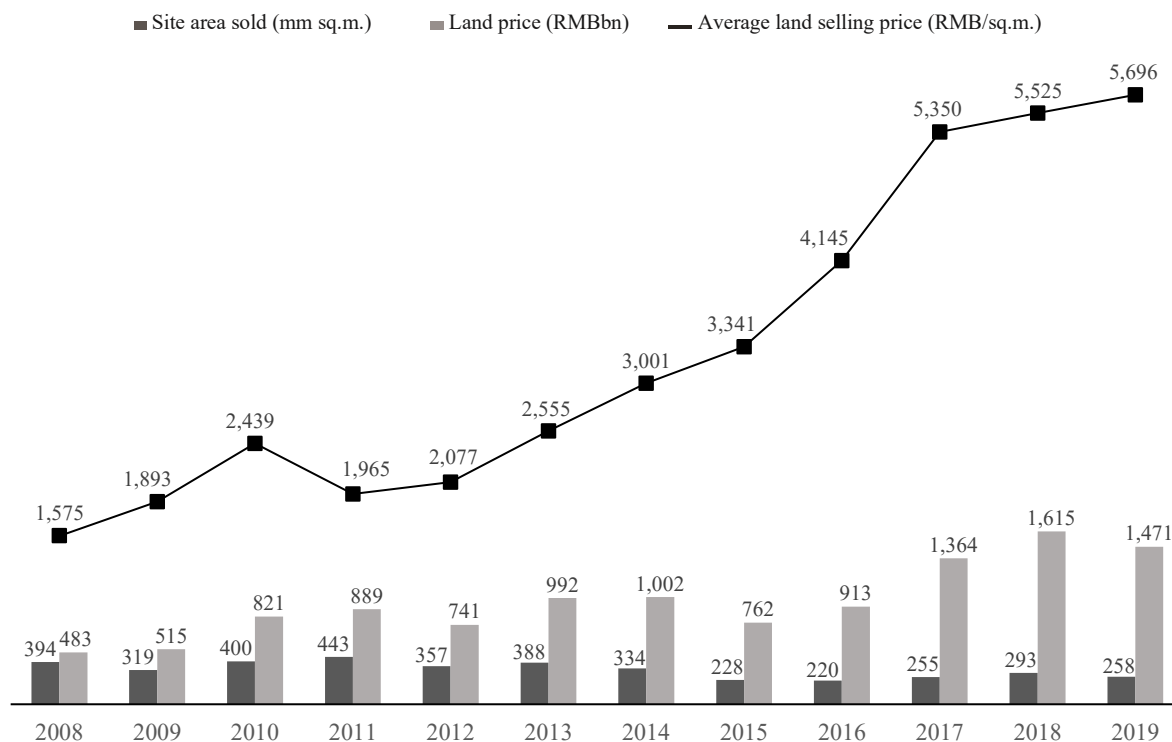
Sources: National Bureau of Statistics, Provincial/local statistics department

Recent Developments in the PRC Property Market

Land prices in the PRC are affected by multiple factors in recent years. Following the global economy recovery in early 2009, total land sales increased from approximately RMB604 billion to close to approximately RMB1 trillion from 2009 to 2010. On the other hand, the PRC government has been introducing austerity measures since 2009 to regulate the property market and curb housing prices, which led to a decline in the average land selling price in 2011.

According to the National Bureau of Statistics of China, the average land selling prices were RMB2,439 per sq.m. in 2010, RMB1,965 per sq.m. in 2011, RMB2,077 per sq.m. in 2012, RMB2,555 per sq.m. in 2013, RMB3,001 per sq.m. in 2014, RMB3,341 per sq.m. in 2015, RMB4,145 per sq.m. in 2016, RMB5,350 per sq.m. in 2017, RMB5,525 per sq.m. in 2018 and RMB5,696 per sq.m. in 2019; reflecting a year-on-year growth rate of (19.4%), 5.7%, 23.0%, 17.5%, 11.3%, 24.1%, 29.1%, 3.3% and 3.1%, respectively.

Historical land sales



Sources: National Bureau of Statistics of China, Provincial/local statistics department

The PRC property market experienced downward pricing pressures in the second half of 2011, as a result of the various policies and measures introduced by the PRC government aiming at “cooling off” the property market. According to a report issued by the National Bureau of Statistics of China, the total GFA sold and total property sales in China in the six months ended June 30, 2012 decreased by 10.0% and 5.2%, respectively, as compared with those in the six months ended June 30, 2011. Beginning in the second quarter of 2012 and continuing through 2013, transaction volumes recovered in the overall PRC property market, due in part to the improving market sentiment in the PRC property market as well as the absence of further major restrictive government policies or measures. According to the National Bureau of Statistics of China, the total GFA sold in 2019 was 1,716 million sq.m., representing a 6.4% increase from 2012.

Chongqing Municipality

Chongqing is one of the four municipalities under the direct administration of the PRC central government and an important economic hub in southwestern China.

The table below sets out selected economic statistics for Chongqing for the years indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	665.1	806.5	1,016.1	1,159.5	1,302.8	1,462.4	1,604.1	1,802.3	2,006.6	2,158.9	2,360.6
Per capita GDP (RMB).....	23,346.0	28,084.0	35,017.0	39,548.0	44,049.0	49,062.0	53,398.0	59,433.0	65,538.0	69,901.0	75,828.0
Per capita disposable income of urban households.....	15,748.7	17,532.4	20,249.7	22,968.1	43,223.0	47,850.0	27,238.8	29,610.0	32,193.2	34,889.3	37,939.0

Sources: National Bureau of Statistics, Provincial/local statistics department

According to the National Bureau of Statistics of China, the average price per sq.m. of commodity properties in Chongqing Municipality in 2019 was approximately RMB8,402.0, representing a CAGR of 9.3% since 2009.

The table below sets out selected data on the property market in Chongqing Municipality for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	29.1	26.3	34.2	39.9	38.0	37.2	46.3	44.2	50.6	40.8	50.7
Total GFA sold (sq.m. in millions)	40.0	43.1	45.3	45.2	48.2	51.0	53.8	62.6	67.1	65.4	61.0

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GFA of residential properties sold (sq.m. in millions).....	23.8	21.8	28.3	33.9	28.7	27.7	44.8	51.1	54.5	54.2	51.5
Total sales revenue (RMB in billions).....	137.8	184.7	214.6	229.7	268.3	N/A	295.2	343.2	455.8	527.3	512.9
Sales revenue from residential properties (RMB in billions).....	123.2	161.1	182.5	197.2	228.4	N/A	224.4	263.6	360.2	444.3	445.8
Average price of commodity properties (RMB per sq.m.).....	3,442.0	4,280.9	4,733.8	5,079.9	5,568.7	5,519.0	5,486.0	5,485.0	6,792.0	8,066.9	8,402.0
Average price of residential properties (RMB per sq.m.).....	3,266.0	4,040.4	4,492.3	4,804.8	5,238.5	5,094.0	5,012.0	5,162.0	6,605.0	8,190.0	8,657.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Sichuan Province

Sichuan Province is located in the southwestern region of China. It has an area of approximately 187,000 sq.km. In 2019, Sichuan had a population of approximately 83.4 million.

The table below sets out selected economic statistics of Sichuan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,419.1	1,722.5	2,105.1	2,392.2	2,651.8	2,889.1	3,034.2	3,313.9	3,790.5	4,290.2	4,636.4
Per capita GDP (RMB).....	17,387.0	21,230.0	26,163.0	29,669.0	32,772.0	35,565.0	37,129.0	40,251.0	45,768.0	51,556.0	55,472.0
Per capita disposable income of urban households.....	13,839.4	15,461.2	17,899.1	20,307.0	22,227.5	24,234.4	26,205.3	28,335.3	30,726.9	33,215.9	36,153.7

Sources: National Bureau of Statistics, Provincial/local statistics department

According to the National Bureau of Statistics of China, the average price per sq.m. of commodity properties in Sichuan Province in 2019 was approximately RMB7,748.0, representing a CAGR of 8.2% since 2009.

The table below sets out selected data on the property market in Sichuan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	42.8	39.7	42.3	58.7	51.1	53.5	45.5	70.5	56.2	56.4	45.8
Total GFA sold (sq.m. in millions).....	59.7	64.0	65.4	64.6	73.1	71.4	76.7	93.0	108.7	122.1	129.8
GFA of residential properties sold (sq.m. in millions).....	55.5	58.5	58.3	56.8	65.1	61.8	65.0	78.8	87.9	99.0	104.5
Total sales revenue (RMB in billions).....	209.4	264.7	321.8	351.8	402.0	399.7	420.0	535.9	675.7	853.2	966.7
Sales revenue from residential properties (RMB in billions).....	190.7	233.1	267.7	281.6	330.9	314.5	327.0	429.6	517.4	662.1	786.9
Average price of commodity properties (RMB per sq.m.).....	3,509.0	4,138.5	4,917.9	5,448.8	5,497.6	5,597.0	5,475.7	5,762.0	6,217.0	6,987.6	7,748.0
Average price of residential properties (RMB per sq.m.).....	3,434.0	3,984.8	4,595.1	4,959.2	5,086.0	5,092.0	5,033.6	5,449.0	5,888.0	6,691.2	7,529.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Jiangsu Province

Jiangsu Province is located along the east coast of China. It has an area of approximately 102,600 sq.km. In 2019, Jiangsu Province had a population of approximately 80.5 million.

The table below sets out selected economic statistics of Jiangsu Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	3,447.2	4,138.4	4,883.9	5,370.2	5,934.9	6,483.1	7,125.6	7,735.1	8,587.0	9,320.8	9,865.7
Per capita GDP (RMB).....	44,272.0	52,787.0	61,947.0	67,896.0	74,844.0	81,550.0	89,426.0	96,840.0	107,150.0	115,930.0	122,398.0
Per capita disposable income of urban households.....	20,551.7	22,944.3	26,340.7	29,677.0	31,585.5	34,346.3	37,173.5	40,151.6	43,621.8	47,220.0	51,056.1

Sources: National Bureau of Statistics, Provincial/local statistics department

According to the National Bureau of Statistics of China, the average price per sq.m. of commodity properties in Jiangsu Province in 2019 was approximately RMB11,637.0, representing a CAGR of 8.9% since 2009.

The table below sets out selected data on the property market in Jiangsu Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	84.4	87.0	84.5	98.5	97.1	96.2	103.0	100.7	95.8	85.4	93.7
Total GFA sold (sq.m. in millions)	102.5	94.9	79.7	90.2	114.5	98.5	114.1	139.6	142.1	134.8	139.7
GFA of residential properties sold (sq.m. in millions)	90.3	81.1	67.7	79.2	101.9	88.0	102.8	126.6	124.9	120.4	125.5
Total sales revenue (RMB in billions).....	510.6	554.0	522.4	606.7	791.4	689.8	839.6	1,129.3	1,306.7	1,452.7	1,626.0
Sales revenue from residential properties (RMB in billions).....	434.1	453.7	415.9	508.9	677.8	597.0	737.5	1,105.5	1,132.6	1,269.4	1,489.5
Average price of commodity properties (RMB per sq.m.).....	4,983.0	5,841.0	6,554.4	6,726.8	6,908.6	7,006.0	7,356.0	8,805.0	9,195.0	10,773.5	11,637.6
Average price of residential properties (RMB per sq.m.).....	4,805.0	5,592.0	6,145.2	6,422.8	6,650.3	6,783.0	7,176.8	8,734.0	9,070.0	10,542.5	11,873.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Shandong Province

Shandong Province is located on the eastern coast of China. In 2019, Shandong had a population of approximately 100.5 million.

The table below sets out selected economic statistics for Shandong Province for the years indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	2,954.1	3,392.3	3,906.5	4,295.7	4,734.4	5,077.5	5,528.9	5,876.3	6,301.2	6,664.9	7,054.1
Per capita GDP (RMB).....	31,280.0	35,599.0	40,639.0	44,464.0	48,763.0	52,016.0	56,312.0	59,375.0	63,162.0	66,472.0	70,129.0
Per capita disposable income of urban households.....	17,811.0	19,945.8	22,791.8	25,755.2	26,882.4	29,221.9	31,545.2	34,012.1	36,789.4	39,549.4	42,329.2

Sources: National Bureau of Statistics, Provincial/local statistics department

According to the National Bureau of Statistics of China, the average price per sq.m. of commodity properties in Shandong Province in 2019 was approximately RMB8,070.0, representing a CAGR of 12.4% since 2009.

The table below sets out selected data on the property market in Shandong Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	50.2	50.7	63.6	73.2	75.1	77.9	82.8	82.5	84.3	105.1	101.8
Total GFA sold (sq.m. in millions)	70.2	92.9	95.8	86.3	103.3	91.8	97.3	117.9	128.1	134.5	127.3
GFA of residential properties sold (sq.m. in millions)	64.8	84.5	87.4	77.5	93.0	79.7	85.3	106.0	112.0	117.6	114.3
Total sales revenue (RMB in billions).....	245.9	366.5	425.9	411.2	521.5	488.0	540.8	690.3	809.7	1,006.6	1,027.1
Sales revenue from residential properties (RMB in billions).....	219.6	321.8	375.8	353.0	446.1	400.9	451.1	607.1	689.2	868.3	928.7
Average price of commodity properties (RMB per sq.m.).....	2,505.0	3,944.0	4,447.7	4,763.0	5,048.6	5,315.0	5,559.8	5,855.0	6,319.0	7,481.2	8,070.0
Average price of residential properties (RMB per sq.m.).....	3,390.0	3,809.0	4,298.8	4,556.6	4,796.7	5,029.0	5,290.1	5,728.0	6,153.0	7,386.3	8,126.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Hunan Province

Hunan Province is located in the southern region of China, to the north of Guangdong Province. It has an area of approximately 211,487 sq.km. In 2019, Hunan Province had a population of approximately 69.0 million.

The table below sets out selected economic statistics of Hunan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,277.3	1,557.4	1,891.5	2,120.7	2,354.5	2,588.1	2,853.9	3,085.4	3,382.8	3,633.0	3,989.4
Per capita GDP (RMB).....	19,979.0	24,005.0	28,734.0	32,048.0	35,328.0	38,549.0	42,216.0	45,356.0	49,448.0	52,809.0	57,746.0
Per capita disposable income of urban households.....	15,084.3	16,565.7	18,844.1	21,318.8	24,352.0	26,570.2	28,838.1	31,283.9	33,947.9	36,698.3	39,841.9

Sources: National Bureau of Statistics, Provincial/local statistics department

The table below sets out selected data on the property market in Hunan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	29.7	33.5	41.5	44.6	45.9	40.2	39.7	45.3	40.8	41.6	39.8
Total GFA sold (sq.m. in millions)	35.1	44.7	49.0	51.5	59.5	54.4	63.6	80.9	85.3	92.4	91.0
GFA of residential properties sold (sq.m. in millions)	32.6	41.4	44.6	46.6	54.1	48.5	56.7	71.9	73.7	80.0	80.7
Total sales revenue (RMB in billions).....	94.2	140.6	185.7	208.5	252.6	229.9	273.9	375.2	446.1	535.4	557.8
Sales revenue from residential properties (RMB in billions).....	82.6	124.8	157.0	171.2	211.5	185.9	225.4	311.4	357.1	437.7	472.1
Average price of commodity properties (RMB per sq.m.).....	2,680.0	3,146.0	3,790.3	4,048.6	4,243.1	4,227.0	4,304.0	4,640.0	5,228.0	5,794.9	6,127.0
Average price of residential properties (RMB per sq.m.).....	2,532.0	3,014.0	3,523.6	3,669.6	3,908.3	3,830.0	3,974.0	4,330.0	4,846.0	5,473.1	5,848.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Changsha City

Changsha, the capital of Hunan Province and the leading city of the “Greater Changsha Metropolitan Region”, has emerged as a key city for investment and development in the central region of China in recent years. Changsha’s nominal GDP reached RMB1,157.4 billion in 2019 and nominal GDP growth remained strong, growing at a CAGR of 11.8% from 2009 to 2019.

The table below sets out selected economic statistics of Changsha for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	374.5	454.7	561.9	640.0	715.3	782.5	851.0	935.7	1,021.0	1,100.3	1,157.4
Per capita GDP (RMB).....	56,620.0	66,443.0	79,530.0	89,903.0	99,570.0	108,356.0	115,443.0	124,122.0	131,207.0	136,920.0	N/A

Sources: National Bureau of Statistics, Provincial/local statistics department

Henan Province

Henan Province is located in the central region of China. It has an area of approximately 64,000 sq.km. In 2019, Henan had a population of approximately 96.1 million.

The table below sets out selected economic statistics of Henan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,918.1	2,265.5	2,631.9	2,896.2	3,163.3	3,457.5	3,708.4	4,024.9	4,482.5	4,993.6	5,371.8
Per capita GDP (RMB).....	20,280.0	23,984.0	28,009.0	30,820.0	33,618.0	36,686.0	39,209.0	42,341.0	46,959.0	52,114.0	55,825.0
Per capita disposable income of urban households.....	14,371.6	15,930.3	18,194.8	20,442.6	21,740.7	23,672.1	25,575.6	27,232.9	29,557.9	31,874.2	34,201.0

Sources: National Bureau of Statistics, Provincial/local statistics department

The table below sets out selected data on the property market in Henan Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	34.0	44.3	55.3	58.7	59.7	73.2	53.9	63.0	62.0	66.6	65.7
Total GFA sold (sq.m. in millions)	43.4	54.5	62.8	59.7	73.1	78.8	85.6	113.1	133.1	139.9	142.8
GFA of residential properties sold (sq.m. in millions)	40.2	50.9	57.3	54.6	65.6	70.1	76.5	101.4	117.1	124.8	129.8
Total sales revenue (RMB in billions).....	115.6	165.9	219.7	228.7	307.4	344.1	394.6	561.3	712.9	805.5	901.0
Sales revenue from residential properties (RMB in billions).....	100.5	145.5	178.8	191.6	251.6	274.0	330.0	483.9	589.8	690.4	801.7
Average price of commodity properties (RMB per sq.m.).....	2,666.0	3,042.4	3,500.8	4,205.3	4,205.3	4,366.0	4,611.0	4,964.0	5,355.0	5,757.7	6,311.0
Average price of residential properties (RMB per sq.m.).....	2,501.0	2,856.3	3,123.2	3,511.3	3,834.9	3,909.0	4,317.0	4,774.0	5,038.0	5,530.6	6,176.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Beijing Municipality

Beijing Municipality is the capital of China. Beijing is one of the four municipalities under the direct administration of the PRC central government and is China’s political, cultural and educational center.

The table below sets out selected economic statistics for Beijing for the years indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,290.1	1,496.4	1,718.9	1,902.5	2,113.5	2,292.6	2,477.9	2,704.1	2,988.3	3,310.6	3,544.5
Per capita GDP (RMB).....	71,059.0	78,307.0	86,365.0	93,078.0	101,023.0	107,472.0	114,662.0	124,516.0	137,596.0	153,095.0	164,563.0
Per capita disposable income of urban households.....	26,738.0	29,037.0	32,903.0	36,469.0	44,563.9	48,531.8	52,859.2	57,275.3	62,406.3	67,989.9	73,848.5

Sources: National Bureau of Statistics, Provincial/local statistics department

The average price of residential GFA sold in Beijing in 2019 was RMB38,432 per sq.m., representing an increase of approximately 2.7% over 2018.

The table below sets out selected statistics relating to the property market in Beijing for the years indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	26.8	23.9	22.4	23.9	26.7	30.5	26.3	23.7	14.7	15.6	13.4
Total GFA sold (sq.m. in millions)	23.6	16.4	14.4	19.4	19.0	14.5	15.5	16.6	8.7	7.0	9.4
GFA of residential properties sold (sq.m. in millions)	18.8	12.0	10.4	14.8	13.6	11.4	11.3	9.8	6.1	5.3	7.9
Total sales revenue (RMB in billions).....	326.0	291.5	242.5	330.9	353.1	273.9	351.8	456.2	279.6	237.7	337.1
Sales revenue from residential properties (RMB in billions).....	248.7	206.1	160.6	245.6	243.5	210.2	251.3	279.6	207.7	197.1	303.2
Average price of commodity properties (RMB per sq.m.).....	13,799.0	17,781.7	16,852.0	17,021.6	18,552.9	18,833.0	22,633.0	27,497.0	32,140.0	34,142.9	35,905.0
Average price of residential properties (RMB per sq.m.).....	13,224.0	17,151.0	15,517.9	16,553.5	17,854.0	18,499.0	22,300.0	28,489.0	34,117.0	37,420.2	38,432.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Guangdong Province

Guangdong Province is located in the southern region of China. It has an area of approximately 179,813 sq.km. In 2019, Guangdong Province had a population of approximately 113.5 million. The real GDP growth rate of Guangdong Province exceeded the average national growth rate in each of the past 10 years and the per capita GDP of Guangdong Province was significantly higher than the national average.

The table below sets out selected economic statistics of Guangdong Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	3,946.5	4,594.5	5,307.3	5,700.8	6,250.3	6,817.3	7,473.2	8,216.3	9,164.9	9,994.5	10,798.7
Per capita GDP (RMB).....	39,418.0	44,669.0	50,676.0	54,038.0	58,860.0	63,809.0	69,283.0	75,213.0	82,686.0	88,781.0	94,448.0
Per capita disposable income of urban households.....	21,574.7	23,897.8	26,897.5	30,226.7	29,537.3	32,148.1	34,757.2	37,684.3	40,975.1	44,341.0	48,117.6

Sources: National Bureau of Statistics, Provincial/local statistics department

According to the National Bureau of Statistics of China, properties with a total GFA of 95.6 million sq.m. were completed in Guangdong Province in 2019, representing a CAGR of 6.6% since 2009. A total of 138.5 million sq.m. of total GFA was sold in 2019.

The table below sets out selected data relating to the property market in Guangdong Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	50.6	56.6	61.4	63.6	62.7	73.3	60.4	65.9	82.0	76.2	95.6
Total GFA sold (sq.m. in millions)	70.6	73.2	74.3	79.0	98.4	93.2	116.8	146.1	159.6	143.4	138.5
GFA of residential properties sold (sq.m. in millions)	65.7	65.5	67.1	71.6	88.3	81.6	105.0	130.2	135.2	120.8	118.7
Total sales revenue (RMB in billions).....	459.9	548.1	585.3	640.8	894.1	846.2	1,144.3	1,621.5	1,879.3	1,874.2	1,675.8
Sales revenue from residential properties (RMB in billions).....	417.7	459.0	507.1	548.8	747.6	696.0	996.7	1,424.0	1,543.8	1,559.5	1,675.8
Average price of commodity properties (RMB per sq.m.).....	6,513.0	7,486.0	7,879.2	8,112.2	9,089.8	9,083.0	9,796.1	11,097.1	11,775.8	13,073.2	14,262.2
Average price of residential properties (RMB per sq.m.).....	6,360.0	7,004.0	7,560.8	7,667.9	8,465.8	8,526.0	9,494.8	10,935.6	11,416.4	12,915.3	14,114.8

Sources: National Bureau of Statistics, Provincial/local statistics department

Guangzhou City

Guangzhou is the largest city in southern China and the capital of Guangdong Province, located in the central southern region of the province. In 2019, Guangzhou had a population of approximately 15.3 million. The city experienced a high GDP growth rate for the six years from 2008 to 2019.

The table below sets out selected economic statistics of Guangzhou for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions).....	913.8	1,074.8	1,242.3	1,355.1	1,542.0	1,670.7	1,810.0	1,954.7	2,150.3	2,285.9	2,362.9
Per capita GDP (RMB).....	79,383.0	87,458.0	97,588.0	105,908.9	120,294.0	128,478.3	136,188.0	141,933.0	150,678.0	155,491.0	156,427.0

Sources: Bureau of Statistics, Provincial/local statistics department

Hebei Province

Hebei Province is located in the northwestern region of China. It has an area of approximately 72,500 sq.km. In 2019, Hebei had a population of approximately 75.6 million.

The table below sets out selected economic statistics of Hebei Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,530.7	1,800.4	2,138.5	2,307.8	2,426.0	2,520.9	2,639.8	2,847.4	3,064.1	3,249.5	3,497.9
Per capita GDP (RMB).....	21,831.0	25,308.0	29,631.0	31,770.0	33,187.0	34,260.0	35,653.0	38,233.0	40,883.0	43,108.0	46,182.0
Per capita disposable income of urban households.....	14,718.3	16,263.4	18,292.2	20,543.4	22,226.8	24,141.3	26,152.2	28,249.4	30,547.8	32,977.2	35,737.7

Sources: National Bureau of Statistics, Provincial/local statistics department

The table below sets out selected data on the property market in Hebei Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	22.1	36.1	51.8	48.9	44.4	40.4	40.4	42.9	34.2	23.9	26.8
Total GFA sold (sq.m. in millions).....	29.7	46.6	58.9	51.4	56.8	57.1	58.5	66.8	64.3	52.5	52.8
GFA of residential properties sold (sq.m. in millions).....	28.2	43.3	52.9	46.2	50.2	50.2	51.6	59.0	55.8	47.1	47.7
Total sales revenue (RMB in billions).....	96.8	165.0	234.5	230.4	278.0	292.8	337.2	430.2	462.8	403.5	413.9
Sales revenue from residential properties (RMB in billions).....	90.5	148.9	199.4	191.5	232.9	250.2	285.4	371.1	392.5	356.7	371.5
Average price of commodity properties (RMB per sq.m.).....	3,263.0	3,539.0	3,982.8	4,478.0	4,897.3	5,131.0	5,758.8	6,438.0	7,203.0	7,682.8	7,834.0
Average price of residential properties (RMB per sq.m.).....	3,210.0	3,442.0	3,766.8	4,142.0	4,639.6	4,988.0	5,529.6	6,290.0	7,039.0	7,566.7	7,787.0

Sources: Bureau of Statistics, Provincial/local statistics department

Hubei Province

Hubei Province is located in the central region of China. It has an area of approximately 185,900 sq.km. In 2019, Hubei Province had a population of approximately 59.3 million.

The table below sets out selected economic statistics of Hubei Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	1,319.2	1,622.7	1,994.3	2,259.1	2,537.8	2,824.2	3,034.4	3,335.3	3,723.5	4,202.2	4,542.9
Per capita GDP (RMB).....	23,081.0	28,359.0	34,738.0	39,163.0	43,838.0	48,630.0	52,015.0	56,836.0	63,180.0	71,109.0	76,712.0
Per capita disposable income of urban households.....	14,367.5	16,058.4	18,373.9	20,839.6	22,667.9	24,852.3	27,051.5	29,385.8	31,889.4	34,454.6	37,601.4

Sources: National Bureau of Statistics, Provincial/local statistics department

The table below sets out selected data on the property market in Hubei Province for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total GFA completed (sq.m. in millions).	23.1	25.4	32.2	32.7	30.4	34.3	27.9	31.3	32.2	27.7	25.6
Total GFA sold (sq.m. in millions).....	27.2	35.1	41.9	40.4	53.0	56.0	62.4	74.3	81.6	88.7	86.0

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GFA of residential properties sold (sq.m. in millions).....	25.8	32.4	37.9	36.2	47.7	50.0	56.5	67.9	73.6	81.0	79.7
Total sales revenue (RMB in billions).....	96.0	131.3	187.9	203.6	279.0	308.8	366.1	499.4	625.9	753.1	775.2
Sales revenue from residential properties (RMB in billions).....	87.9	113.5	156.9	169.0	231.0	254.4	319.9	438.4	538.0	659.1	690.4
Average price of commodity properties (RMB per sq.m.).....	3,532.0	3,743.0	4,486.4	5,042.8	5,266.2	5,513.0	5,863.0	6,724.0	7,675.0	8,495.3	9,012.0
Average price of residential properties (RMB per sq.m.).....	3,413.0	3,506.0	4,142.1	4,668.0	4,847.2	5,085.0	5,663.4	6,457.0	7,307.0	8,135.8	8,665.0

Sources: National Bureau of Statistics, Provincial/local statistics department

Wuhan City

Wuhan is the capital of Hubei Province, located at the confluence of the Changjiang and Hanjiang Rivers. As at December 31, 2019, Wuhan had a population of approximately 9.1 million. Wuhan's GDP reached approximately RMB1,622.3 billion in 2019.

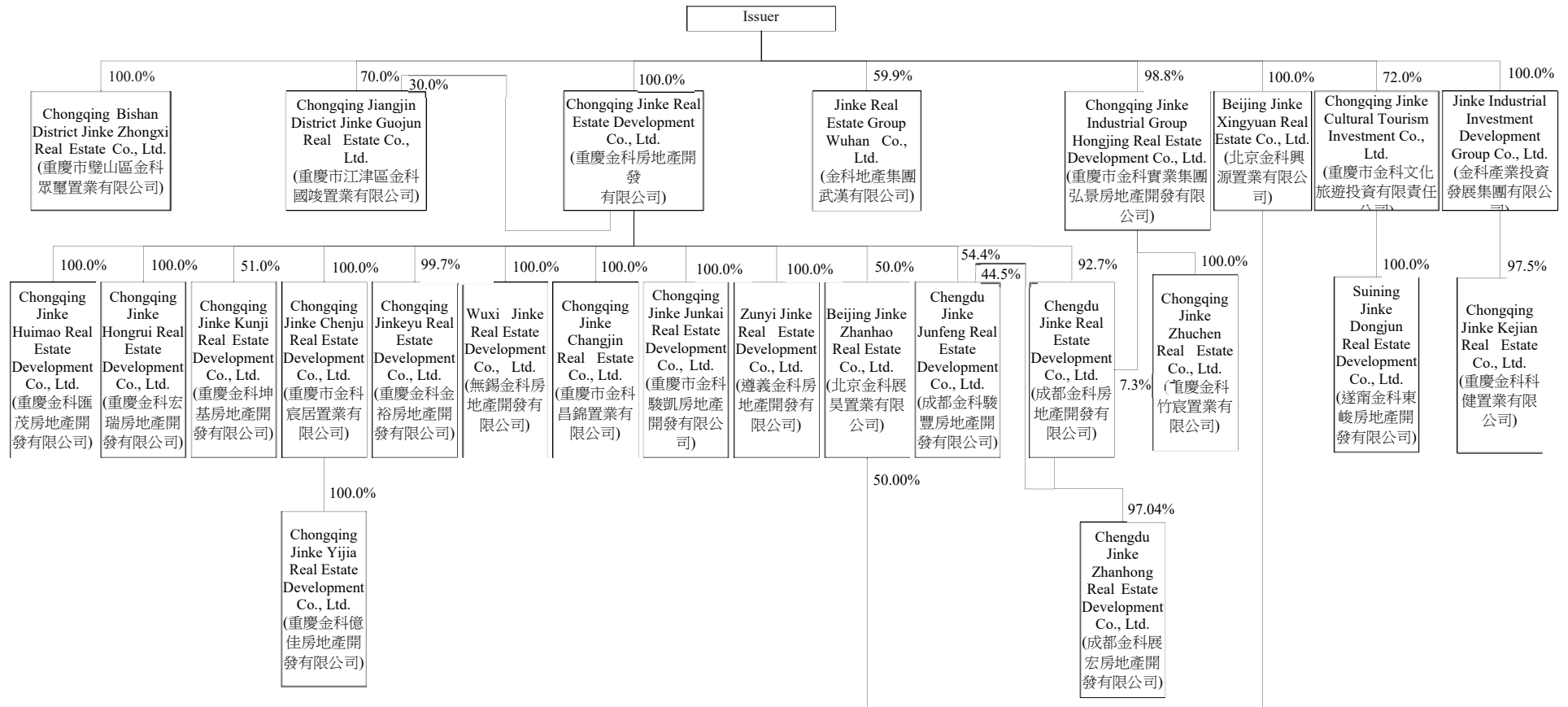
The table below sets out selected economic statistics of Wuhan for the periods indicated.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (RMB in billions)....	462.1	556.6	676.2	800.4	905.1	1,006.9	1,090.6	1,191.3	1,341.0	1,484.7	1,622.3
Per capita GDP (RMB).....	51,144.0	58,961.0	68,315.0	79,482.0	88,999.7	N/A	104,132.0	111,469.0	123,831.0	135,136.0	145,545.0

Sources: National Bureau of Statistics, Provincial/local statistics department

CORPORATE STRUCTURE

The following chart shows our simplified corporate structure as of December 31, 2020.



BUSINESS

OVERVIEW

We are one of the leading property developers in the PRC with an established track record and market-leading capabilities in real estate development and property management. Tracing our history back to 1998, we initially focused on property developments in Chongqing, capturing the opportunities presented by its rapidly growing economy. With our reputation and experience gained in Chongqing, we quickly expanded our network and footprint. Our focus on optimizing execution efficiency through a multi-level management model combined with the consistency in our product quality have allowed us to quickly replicate our success across China to cover approximately 23 provinces and regions. As of December 31, 2020, our property development portfolio³⁴ consisted of 80 completed properties³⁵ with a total GFA (including GFA sold and unsold) of 21.9 million sq.m. and 257 properties under development with a total GFA (including GFA sold and unsold) of 75.8 million sq.m., including 15.6 million sq.m. that newly commenced development in 2020. We have another 26 planned properties for future development with a total planned GFA of 7.3 million sq.m. as of the same date. As testament to our widely recognized brand name and success, we were included in the Forbes Global 2000 List consecutively from 2018 to 2021 and also ranked in the “China Top 100 Real Estate Enterprises (中國房地產百強企業)” for 17 consecutive years from 2005 to 2021. Leveraging our strengths in the property industry, we expanded into property management to diversify our revenue sources and business portfolio. As of December 31, 2020, our property management portfolio consisted of over 600 properties from residential developments, office buildings, hotels to educational institutions in 152 cities and regions, covering a contractual GFA scale of approximately 277.2 million sq.m. For five years running from 2017 to 2021, we were ranked among “China Top 100 Property Management Companies (中國物業服務百強企業)” in the annual industry report published by the China Index Academy (中國指數研究院), including first in the Central West region in terms of overall capabilities.

As of December 31, 2020, we had a land bank³⁶ with a total GFA of approximately 71.1 million sq.m. comprising, among others, (i) aggregate GFA completed and unsold³⁷ of approximately 2.1 million sq.m., (ii) aggregate GFA under development and unsold³⁸ of approximately 36.6 million sq.m., (iii) aggregate GFA held for future development and unsold²⁴ of approximately 6.6 million sq.m., and (iv) aggregate GFA unsold attributable to us for properties developed by our joint ventures and associates³⁹ of approximately 10.5 million sq.m. Our land bank is strategically located in regions that constitute the “Three Zones and One Belt (三圈一帶)” in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, which are some of the main high-growth potential areas in the PRC. Underpinned by a fundamental growth strategy to focus on these areas, we continue to improve our geographical mix through replenishment of quality land bank and taking a balanced approach to the distribution of land bank among cities. Besides increasing our land holdings opportunistically, we also strive to provide high-quality real estate products to the market by focusing on every step of the development process, from site selection, planning, landscaping and construction to fitting-out and property management. In this regard, our other businesses, including property management, landscape engineering, door and window engineering and decoration design, create significant synergies with our real estate development efforts, enabling us to optimize our execution efficiency while maintaining effective cost and execution control over the entire real estate development process.

Our principal property product is residential developments comprised of apartments, townhouses or condominiums fully equipped with on-site facilities and amenities such as retail shops, clubhouses and gardens. Integrating our expertise in property management and cumulative experience in our other ancillary businesses, our developments seek to offer the increasingly affluent and consequently lifestyle-conscious homebuyers modern and convenient residential communities that value healthy living, closeness to nature and concern for the environment. In addition, we have expanded our product offerings by selectively diversifying into commercial and industrial property developments, including mixed use properties combining retail, lifestyle and entertainment options, culture tourism properties and technology parks. Over the years, our products have gained wide brand recognition among consumers, as reflected by our strong contracted sales and sales records. For the years ended December 31,

³⁴ Excluding properties developed by our joint ventures or associates that are not consolidated into our financials.

³⁵ Excluding properties completed prior to 2017.

³⁶ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

³⁷ Excluding properties that are not consolidated into our financials and properties completed prior to 2017.

³⁸ Excluding properties that are not consolidated into our financials.

³⁹ Such properties are not consolidated into our financials.

2018, 2019 and 2020, our total contracted sales⁴⁰ amounted to approximately RMB115.6 billion, RMB181.4 billion and RMB217.8 billion (US\$33.4 billion), representing a CAGR of approximately 37.3% during that period, with a total contracted GFA sold⁴¹ of approximately 13.4 million sq.m., 19.1 million sq.m. and 22.4 million sq.m., respectively.

Aside from property development, we have diversified revenue streams from our other core businesses of property management, hotel management and wind energy investment and development, supplemented by our ancillary businesses of, among others, property construction, landscape engineering, materials sales and property leasing. In particular, these businesses provide us with a stable and recurring income source. For the years ended December 31, 2018, 2019 and 2020, our consolidated revenues amounted to RMB41,233.7 million, RMB67,773.4 million and RMB87,704.4 million (US\$13,441.3 million), respectively. We have grown steadily in recent years, with net profit increasing from RMB4,020.5 million in 2018 to RMB9,704.4 million (US\$1,487.3 million) in 2020.

COMPETITIVE STRENGTHS

Established market position and valuable well-recognized brand name

We have established a leading market position with a well-recognized brand name in the PRC. The numerous awards and accolades that we have received in the 20 years since our inception bear testament to our success. In particular, we believe that we have achieved recognition on an international level as demonstrated by our consecutive inclusion in Forbes Global 2000 List from 2018 to 2021. In addition, we were awarded “Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強)” from 2016 to 2020 by China Real Estate Association (中國房地產協會) and China Real Estate Appraisal (中國房地產測評中心), and we have been named “China Top 100 Real Estate Enterprises (中國房地產百強企業)” for the last 17 consecutive years from 2005 to 2021, which we believe demonstrates widespread industry recognition of our market position in the PRC real estate sector. The value of our brand name is evident from the broad market acceptance of our properties, as shown in terms of our strong total contracted sales and total GFA sold, which amounted to RMB217.8 billion (US\$33.4 billion) and 22.4 million sq.m. for the year ended December 31, 2020. We are a major market player, particularly in the wider Southwest region, with some of our properties, such as Jinke - Jimei River (金科·集美江上) being awarded the “Residential Silver Award” in the REARD Global Real Estate Design Awards and also named the “Overall Selection - Best Pre-sale Real Development” in the 15th Kinpan Awards, or Wuhan Jinke City (武漢金科城) with sales reaching approximately RMB5 billion in 2019 alone and cumulatively as of December 31, 2020, approximately RMB12 billion, or Jinke - Central (金科·中原) not only winning the 2020 IAA International Architecture Prize but achieving single-day commencement sales of approximately RMB1 billion, or Jinke - Jiu Qiu He (金科·九曲河) being one of the only two “Best Residential Development” awardees in the 14th Kinpan Awards. Due to our brand name, we have been able to set a relatively higher average selling price for our properties and still maintain healthy pre-sales volumes.

Our strong credit profile also exemplifies our market position. As of the date of this offering memorandum, we have obtained “AAA” ratings from the full spectrum of domestic rating agencies, such as China Chengxin, United Credit Ratings Co., Ltd. and Dagong Global Credit Rating Co., Ltd., as well as have been assigned a corporate credit rating of “BB-” with a stable outlook by S&P, “B1” with a stable positive outlook by Moody’s, “BBg+” with a stable outlook by China Chengxin and “BB+” with a stable outlook by Lianhe Global. We believe that such ratings attest to the health of our operations and performance, particularly in terms of financial leverage, the steady growth of our business and confidence in our prospects and future success.

Strong financial position based on excellent debt management and diversified funding channels

Robust financial management is a key component of our success and we believe that our comprehensive policies covering various aspects from debt and leverage management, working capital, investment management, dividends, liquidity management to overall strategic planning speak volumes about our commitment to being financially sound. We maintain strict financial and risk management policies in order to minimize our exposure to financial and operational risks, in particular, credit risk. As such, we have been able to maintain a strong cash position and a healthy borrowing profile. As of December 31, 2020, our consolidated balance of cash and cash equivalents was RMB43,492.3 million (US\$6,665.5 million), while our interest-bearing liabilities (comprising

⁴⁰ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁴¹ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

short-term and long-term borrowings⁴², non-current liabilities due within one year⁴³, long-term payables, bonds payable and perpetual bonds⁴⁴) was RMB99,805.5 million (US\$15,295.9 million). To maintain stable financing sources, we have established cooperative relationships with, and received loans and financings from, major banks, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, The Export-Import Bank of China, Bank of Communications, China Minsheng Bank, China CITIC Bank, China Merchants Bank and China Bohai Bank. As of December 31, 2020, we had credit facilities in a total amount of RMB207.3 billion (US\$31.8 billion), of which approximately RMB145.8 billion (US\$22.3 billion) remained undrawn. We believe that our debt structure is healthy and balanced, with liabilities due within (i) one year, (ii) one to two years, (iii) two to three years, and (iv) more than three years accounting for 33%, 36%, 20% and 11%, respectively, as of December 31, 2020.

Furthermore, benefiting from our large scale of operations, other than bank borrowings, we have access to other diversified and sustainable sources of funds to meet our financing needs. We enjoy flexible financing options, including equity and debt capital markets, trust financing and structured financial products. We have issued nearly RMB70 billion in total of both onshore and offshore debt instruments, including corporate bonds, short-term financing bills, medium-term notes and asset-based securities, as well as conducted domestic follow-on equity offerings. For example, in 2015, we issued corporate bonds in our first ever small public offering (小公募) in the aggregate principal amount of RMB2 billion and our first ever private placement in the aggregate principal amount of RMB1.25 billion; we also cooperated with China Minsheng Bank to raise approximately RMB3.8 billion of funds to date through project equity financing. From 2015 to April 2021, we issued interbank debt securities in an aggregate amount of approximately RMB17.9 billion and exchange-traded debt securities (including asset-backed securities) in an aggregate amount of approximately RMB39.2 billion. We pay particular attention to optimizing our financial leverage and ensure that the increase in our financing levels each year is kept within a 10% margin and below the increase in our sales. Our capital management and credit risk control focuses and capabilities have allowed us to avoid project stoppages or delays, and enabled us to pursue expansion strategies and opportunities without substantial concerns regarding funding sources. Our objective is always to keep improving our financing channels, maintaining adequate liquidity and enhancing our ability to deal with unforeseeable market and regulatory changes.

Strategically-located and high quality land bank with a national footprint

Following a decade-long of dedicated planning and development, our land bank is strategically located across the country, with not only holdings in Chongqing, but in the provinces of Jiangsu, Zhejiang, Sichuan, Shandong, Yunnan, Guizhou, Hubei, Hunan, Hebei, Henan, Guangxi, Jiangxi and Guangdong and other top tier cities such as Beijing and Tianjin in the PRC. The Southwest concentration of our land bank is specifically planned to play to our strengths in this geographical region and align with our growth strategy of optimizing our market position. The cities in which we develop our properties share common characteristics, such as increasingly urbanized population centers, steadily expanding commercial districts and gradually improving transport connectivity, all of which translate into continuous growth potential for real estate development in such cities. With our land holdings being situated in prime locations within these cities, we are a direct beneficiary of their growing economies and resulting attractive market trends and developments. As of December 31, 2020, our land bank⁴⁵ amounted to a total GFA of approximately 71.1 million sq.m., representing more than 620 projects across 23 provinces and cities, and comprised, among others, (i) aggregate GFA completed and unsold⁴⁶ of approximately 2.1 million sq.m., (ii) aggregate GFA under development and unsold⁴⁷ of approximately 36.6 million sq.m., (iii) aggregate GFA held for future development and unsold²⁵ of approximately 6.6 million sq.m., and (iv) aggregate GFA unsold attributable to us for properties developed by our joint ventures and associates⁴⁸ of approximately 10.5 million sq.m. In particular, we prioritize the acquisition of land in second-tier and third-tier cities, with land in first-tier and fourth-tier cities as a supplement source. As of December 31, 2020, our land reserves in second-tier and third-tier cities (including new first-tier cities), in terms of saleable area, represented approximately 78% of our total land bank, of which 55% was land located in new first-tier cities and second-tier cities. Our newly acquired land parcels in second-tier and third-tier cities (including new first-tier cities), in terms of capacity building area, also represented nearly 80% of our total newly acquired land reserves as of December 31, 2020, of which

⁴² Short-term borrowings as of December 31, 2020, included here, exclude the amounts relating to the interest accrued as of the same date.

⁴³ Non-current liabilities due within one year as of December 31, 2020, included here, exclude the amounts relating to our restricted stock repurchase obligation and the interest accrued as of the same date.

⁴⁴ Perpetual bonds are recorded under the line item "other equity instruments" in our consolidated balance sheets.

⁴⁵ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁴⁶ Excluding properties that are not consolidated into our financials and properties completed prior to 2017.

⁴⁷ Excluding properties that are not consolidated into our financials.

⁴⁸ Such properties are not consolidated into our financials.

approximately 63% was land located in new first-tier cities and second-tier cities. As the cities we penetrated continue to develop, and consequently, new developable prime residential land becomes increasingly lacking, we believe our land bank will provide us with a solid foundation for future growth and profitability.

A systematic approach to our land acquisition efforts and accumulation of our land reserves also contributes to the strategic quality of our land bank. Built on our overall strategy of concentrating on “Three Zones and One Belt (三圈一带)” in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, we maintain a 80-20 portfolio of land reserves in (i) our cities of choice, which include 25 core cities, such as Wuhan and Changsha in the middle reaches of Yangtze River and Zhengzhou in Central Plains, as well as promising third-tier and fourth-tier cities, and (ii) a secondary list of cities that represent good land opportunities in counties, districts, regions and provinces we have determined to be worthy of investment. We adopt a fluid site selection mechanism whereby we not only conduct extensive research on key site indicators and relevant market indicators but keep track of recent developments and changes in factors considered so as to make timely adjustments to our assessment of potential sites. Such assessment is done against the backdrop of our property development project plans, therefore we believe we have secured and are able to continue to secure land for our projects in the most suitable cities where we feel confident about market conditions and consumer appetite. In addition, we recognize that the markets of different cities differ in terms of maturity and characteristics, so apart from the traditional “tender and auction” method, we tailor our land acquisition methods and strategies on a city-specific basis. For cities with a fragmented landscape of small- and medium-sized players and with an imminent risk of industry consolidation, we will acquire the land through pursuing acquisition and merger opportunities; for cities with development needs relating to science and technology, corporate hospitality, health and wellness industries, our preference is to acquire land earmarked for specific industrial development purposes; for cities in the post-urbanization stage that are in need of revitalization and injection of new innovative elements, we look at urban and municipal renewal initiatives that present land opportunities. We study guidance formed from using the economic model relating to the inventory cycle prevalent in mature international markets as the base and taking into consideration relevant unique industry characteristics to help determine the timing of market penetration and land acquisition for a particular city. For example, in respect of sites that we acquire and hold or develop in line with general market cycle, our evaluation is focused on, among others, trend indicators that provides us with a direct linear picture of the upward and downward trends at the time, inventory trends such as urban commodity housing inventory data, and pricing trends such as changes in the year-on-year growth rate of the housing price indices; for sites we acquire to meet short-term demand and supply requirements, we evaluate, among others, supply and demand data such as market positions of dominant players or market transaction volume and housing price increases such as year-on-year increases in average transacted price of resale housing.

With land acquisition being a capital-intensive exercise and a critical component of our business, our ability to effectively identify, pursue and secure suitable land with the right type of market potential for our development plans helps us achieve cost efficiencies and more importantly, ensures that our land bank is replenished strategically to enable our continued growth and expansion.

Proven operational capabilities and expertise across the entire property development process

As a notable real estate company in the PRC with a long-standing and proven track record of successful property development, we possess capabilities covering the entire project cycle from land acquisition, pre-construction planning, construction and development, to post-completion property management. To facilitate execution efficiency, we adopt a project development approach involving the following: (i) ensure necessary project evaluation and concept planning are done prior to land acquisition and commence construction within one month after securing the site, including conducting a geographical survey within 15 days, completing the show area’s construction blueprint within 10 days, and respectively appointing land engineers and the main contractor for the show area within 10 days and 20 days and for the first phase of the property within 20 days and 35 days, (ii) ensure the property is ready for launch after a six-month construction period with minimal delays, which is made possible through measures such as ensuring that internal project approval is obtained within 30 to 45 days and the setting up of a dedicated team comprising development and design personnel, and sales activities are generally standardized for quick implementation, (iii) issues associated with financing for purchases of our properties, such as obtaining of property ownership certificates, are resolved within six months after launch, and (iv) positive cash inflows in respect of the property are achieved within the year. This approach is also made possible through optimal resource allocation via our multi-level supervision model for our projects, the management of which is structured from top to bottom: our headquarters is responsible for strategic planning, corporate branding, investment decision and implementation; our regional subsidiaries are responsible for, in respect of their relevant geographical markets, industry and market research, project development and implementation plans, and overall supervision of projects; and our project companies carry out, monitor and directly control the actual project development process, including

budget costing and sales initiatives. Our capabilities and expertise, in-house resources and personnel are, therefore, better and more accurately deployed.

The effectiveness of our operational model was also evidenced by our annual sell-through rate of 73.7% for 2020, which essentially means our properties generally sell well. This is in line with our target sell-through rates of approximately 60% for initial launches, 90% for completed projects and 70% for annual property sales, as well as a target average inventory level of eight months. Combined with consistent execution efficiency achieved through our project development process, we are then able to achieve fast turnaround times on cash inflows from sales. For example, total contracted sales for our properties⁴⁹ for the year ended December 31, 2020 amounted to RMB217.8 billion (US\$33.4 billion) and our net cash received was RMB201.1 billion (US\$30.8 billion) for the same period, representing a cash turnover rate of approximately 90%. This provides us with a particular competitive advantage because it accelerates our asset turnover, enhances our cash flows and ensures the sufficiency of our working capital, which is very important in view of our sizeable property development pipeline and continuous expansion efforts. In turn, we are able to push forward with growing our operations, especially in terms of increasing our development and construction of new property projects, and exploring opportunities to further develop our other businesses in property management and ancillary services such as landscaping. We believe this is one of the key reasons why we were able to commence development⁵⁰ of 148 new projects in 2020 despite the overall negative repercussions brought about the COVID-19 pandemic, while maintaining reasonable profitability.

Excellent product development proficiency and innovative product mix that caters to different market segments

With intensifying competition in the PRC real estate market, we believe that innovation is key to not becoming obsolete and we have taken significant initiatives to build a comprehensive product mix that caters to different market segments. This has been a priority for us in our transformation from a traditional property developer into an integrated provider of diversified real estate products and services. The range of our residential property portfolio spans the consumer spectrum from first-time owners to wealthy seasoned buyers. We launched our three major series of property developments: Jinke Jimei (金科集美系), Jinke Bocui (金科博翠系) and Jinke Qionghua (金科瓊華系), each representing a separate product line of traditional mansions, elegant houses and modern apartments to cater to the relevant customer demographics. We believe our product positioning captures the opportunities presented in the residential property markets of the cities in which we have operations and maximizes our revenue prospects. Our expansion into commercial, industrial, tourism and hotel properties not only further diversifies our product mix and earnings base, it is geared toward our primary objective of becoming synonymous with being an integrated real estate player. For example, our commercial mixed-use property developments comprising shopping and entertainment venues, food and beverage outlets and recreational facilities, located within proximity of our residential properties, greatly promotes consumer awareness of our brand and offerings. This in turn creates a positive cascading effect on market confidence in our products and consequently, our sales and revenues. We believe that our product development proficiency and market recognition of our curated property offerings are demonstrated by the accolades that we have received, such as our ranking among “2019 China Real Estate Super Product Capabilities – Top 10” by EH Consulting, our ranking as 13th among “2020 China Real Estate Super Product Capabilities” in the 15th Kinpan Awards, and our ranking as 19th among “2020 China Real Estate Product Capabilities” by China Real Estate Information Corporation.

As a city develops and its population grows, market and customer segmentation become more pronounced. With respect to our core residential product segment, offering a diversified product range that not only considers and stays updated on differences in demands and requirements, but has them incorporated as major differentiating factors in design and planning, ensures that we always remain “relevant” to homebuyers. As such, we place strong emphasis on innovative product design. Depending on the target city cluster, our residential offerings comprise apartments, condominiums, townhouses and villas fully equipped with on-site facilities and amenities such as retail shops, club houses and gardens, as well as value-added services in the areas of, among other, community education, healthcare and finance to create a “quality living” community. We maintain close relationships with reputable domestic design firms to help maintain our standards in project design and material selection. We believe that by keeping abreast of the latest trends and design concepts, we will be able to better design our real estate offerings to suit changing customer preferences. Based on the steady growth of our sales revenue over the years, we believe this dedication has been acknowledged by the market. For the years ended December 31, 2018, 2019 and 2020, our

⁴⁹ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁵⁰ Including properties developed by our joint ventures and associates that are not consolidated into our financials.

total contracted sales amounted to approximately RMB115.6 billion, RMB181.4 billion and RMB217.8 billion (US\$33.4 billion), representing a CAGR of approximately 37.3% during that period.

Synergistic property management business that enhances our position as a “Quality Living” provider

Part of our success in cementing our industry position and the continuous enhancement of our brand name into one synonymous with “quality living” services beyond the regular real estate property offerings, is the additional market recognition we garner for our quality property management services. We engage in the provision of property management services primarily through our subsidiary, Jinke Services (stock code: 9666.HK). Dedicated to becoming a “Quality Living” provider, we go beyond traditional property management to offer a full range of services ranging from urban space services, “Better Life” services to intelligent technology services. As of December 31, 2020, we managed over 600 properties, including those we developed, from residential developments, office buildings, hotels, educational institutions to governmental buildings in 152 cities and regions, covering a total contractual GFA scale of approximately 277.2 million sq.m. (including total GFA under management exceeding 150.0 million sq.m.). For the year ended December 31, 2020, Jinke Services realized operating revenue of RMB3,358.9 million and net profit of RMB633.2 million, respectively, representing a CAGR of 44% and 69% compared to 2019. For five years running from 2017 to 2021, we were ranked among “China Top 100 Property Management Companies (中國物業服務百強企業)” in the annual industry report published by the China Index Academy (中國指數研究院), including first in the Central West region in terms of overall capabilities.

Recognizing that long-term client satisfaction is the foundation of our overall branding efforts, our offering does not end with sale of the property development, but extends to various services to ensure customers understand that we are able to deliver a complete real estate package. We offer urban space services (城市空間服務) which are centered on residents’ life in properties spanning residential, commercial, office and municipal. Such comprehensive services extend beyond the core of property management to cover other areas such as facilities and amenities and asset management. For example, we provide property management services to the Porsche dealership centers in Chongqing and Zhengzhou that are designed to support sales and marketing activities, or our provision of relevant services to more than 110 commercial and office buildings in the PRC, serving more than 200,000 enterprise customers. Our assortment of “Better Life” services (美好生活服務) focuses essentially on homeowners’ needs, including but not limited to home improvement, asset management, community procurement, communal dining, tourism, education to elderly care, and aim to . Customers’ renewal of our service engagements was 100% for the last nine years and customer satisfaction consistently surpassed 90% as well. We also believe that the level of customer satisfaction with our service offerings ranked second among industry peers in 2020. Lastly, there is our suite of intelligent technology services (智慧科技服務), which we believe empowers our internal operations and also enhances our overall customer service portfolio. Examples include the big data services we provided for Tianqi Big Data Center (天啟大資料中心), which managed the convergence of more than 30 million pieces of data, featured more than 4,000 video surveillance points and realized cost savings exceeding RMB50 million, or our cloud services for our Cloud Customer Service Center (雲客戶服務中心), which enabled the provision of 24/7 service, handling of 15,000 incoming calls per month and an increase in energy efficiency per capita of more than 30%. Our technology services are aimed at creating and promoting smart communities and smart cities.

The quality of our combined property and service portfolio is what differentiates us from other similar competitors. As such, the synergies created between our property development business and our property management business, and our ability to effectively leverage and optimize that, is the driving force behind our continuous growth into an integrated well-managed real estate conglomerate.

Highly experienced and stable management team

We have a highly experienced senior management team composed of well-regarded experts with an average of over 20 years of relevant experience in real estate development, planning and design, and finance and other fields. The team is led by our chairman, Mr. Jiang, who has been recognized as a driving force in fostering and solidifying our success. He is a member of the Chongqing Municipal Committee of the Chinese People’s Political Consultative Conference and the vice chairman of the Chongqing Real Estate Chamber of Commerce. Our co-chief executive officer, Mr. Fang, has cumulative experience of more than 20 years in real estate development and corporate management. Our regional management teams are trained at our headquarters and most of them have been with our Company for more than five years. Our management team has developed superior strategic insights and can respond quickly to changing market conditions. Since the inception of our Company, our senior management team has periodically reviewed and set, and successfully implemented, our strategic plans for each phase of our growth, by focusing on accumulating an abundant talent pool, building a quality land bank, emphasizing product quality and branding strategy, and securing financing in a timely manner to support our

expansion. We believe we will continue to benefit from the collective expertise of our management team and other professional employees to explore and capture market opportunities in our various businesses.

BUSINESS STRATEGIES

Implement our “Four-as-One, Ecological Collaboration (四位一體、生態協同)” business development strategy and continue our transformation into a “Quality Living” provider

We have taken significant initiatives or made significant plans to implement our overall growth strategy of upgrading and evolving from a traditional property developer into a “quality living” provider and enhancing our earnings base. With a corporate vision founded on “Innovation, Efficiency, Quality, Precision, Technology, Sharing”, we will continue to implement our “Four-as-One, Ecological Collaboration (四位一體、生態協同)” coordinated business development strategy. This essentially entails refining and strengthening our core real estate business, grow our smart services, enhance our technology, tourism and healthcare businesses, thereby laying a solid foundation for further building of an integrated industrial ecosystem. We believe that the synergistic growth of our core businesses, which in turn will propel the same for our ancillary businesses, is crucial to our ability to develop new profit growth drivers and achieve sustainable success. A key focus is our strategic positioning as a “Quality Living Provider (美好生活服務商)”, which, to us, represents a culmination of the concepts of “Better Growth, Better Homes, Better Health, Better Convenience, Better Community”. On this premise, we will continue to advocate a “community” concept – the focus is on one combined package of property developments, property management services and other value-added community services in the areas of, among others, education, healthcare and finance. We aim to actively expand and offer modern services and bring our enhanced “real estate + service” integrated offering to more customers, allowing them to enjoy long-term value and realize their dream of quality living. Consolidating the experience and advantages derived from our existing traditional services, we plan to continue to develop and provide diversified value-added services and smart intelligent solutions, which will mark an important step for our transition into an outstanding and comprehensive lifestyle service provider that is beyond the average property management company.

We will focus on building and strengthening our three core competitive strengths: Investment, Products and Service, with the objective of achieving a level of profitability above the average of our market peers against whom we benchmark ourselves. Investment-wise, we will strive to maintain a balanced and diversified structure with acquisition of land through the traditional “tender and auction” method and through alternative methods in a 50-50 proportion. In terms of our products, our target is for our offering of “quality profitable products” to account for 30% of our overall portfolio, thereby increasing our product premiums. For our services, the goal is to ensure that customer satisfaction levels continue to reach the industry advanced standard of at least 90%.

Continue to diversify our business portfolio and overall product mix

As part of our strategy to grow into an integrated provider of diversified real estate products and services, we will continue to leverage the breadth and depth of our real estate business, plan our investments in both upstream and downstream industries and grow our portfolio:

- *Science and technology industrial operations.* We will consider the development and construction of a wider range of industrial products for sale or lease, including industry-city integration projects, industrial complexes, industrial parks and industrial communities. We will look at increasing the scale of industrial parks under our management and the number of enterprises that we service through fully capitalizing on our self-developed parks and adopting an “asset-light” expansion strategy. Further, in considering new cities and industry focuses to add to our operations, we will be selective, ensure our choices prove to be sustainable and contribute to ecological collaboration, and take care to only gradually expand the asset management scale of quality industrial properties. An example of our efforts is Chongqing Liangjiang Health Technology City (重慶兩江健康科技城), which is located within the Chongqing Liangjiang New Area, a national-level development area, and occupies a site of approximately 3,000 mu.
- *Smart services.* We will focus on offering services that provide customers with a “connected lifestyle”. This means maximizing advantages derived from residential volume and density and adopting a multi-pronged development approach that emphasizes core ecological benefits. We will continue to accelerate the digital transformation of our services, advocate labor automation and smart machinery, and strengthen our export of scientific and technological digital intelligence services. We will comprehensively promote the establishment and upgrading of remote online management platforms, such as smart security platforms, cloud parking lots, cloud monitoring and cloud energy consumption,

and also enhance cooperation across our three major management service platforms – “Big Housekeeper (大管家)”, “Big Community (大社區)” and “Big Operations (大運營)” to facilitate robotic applications in project management.

- *Business travel, health and wellness.* To develop our “big consumption (大消費)” operations, we plan to acquire quality “commercial + real estate” land in areas with promising potential located within medium-to-highly vibrant cities. With such excellent assets as our foundation, we believe that this will go a long way toward the continuous building up and upgrading of our operational capabilities in respect of commercial properties. In terms of our “big health (大健康)” business plans, we intend to align them with the ongoing trend for senior living development, set long-term strategies and objectives, and explore different types of business models. Examples of our efforts include Jinke Cube Urban Commercial Complex (金科樂方城市型商業綜合體), an all-new consumption outlet, and Wuhai Yangluo Lohas Health City (武漢陽邏樂活健康城), a healthcare and wellness community area for all ages that comprises a nursing center, cultural and retail outlets, as well as a health themed area.

Continue to enhance and expand our geographical footprint and market presence

Our overall market expansion strategy is concentrated on “Three Zones and One Belt (三圈一帶)” in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, and eight major city clusters, namely Yangtze River Delta, Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macau Greater Bay Area, Chongqing-Sichuan, Central Plains, middle reaches of the Yangtze River, Beibu Gulf and Shandong Peninsula. We believe that there will be increasing growth opportunities in the property markets in these regions, given their increased urbanization, healthy economic growth and good property appreciation potential:

- The Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area and Beijing-Tianjin-Hebei city clusters are also key geographic areas for our expansion, although our strategies to be deployed in these regions will differ because their property markets are generally mature with considerably greater competitive pressures. For the Yangtze River Delta city cluster, as its property market is quite highly-concentrated, we will consider joint ventures and cooperation opportunities with other real estate companies or suitable market players to increase our market share as a matter of priority. The Guangdong-Hong Kong-Macau Greater Bay Area city cluster’s property market concentration is relatively high as well, so we will focus on development opportunities in third-tier and fourth-tier cities in this region and increase our property portfolio in this area as appropriate. This approach also applies to the Beijing-Tianjin-Hebei city cluster with an increasing competitive property market, hence our preference to seek opportunities in the suburban areas.
- With respect to the Shandong Peninsula, Beibu Gulf and Central Plains city clusters, we have already commenced operations, including property development projects, in these areas and increased our competitiveness as well, and will continue to actively enhance our market presence.

Another key strategy is to focus on second-tier and third-tier cities and strategically increase our land portfolio and pursue development opportunities promptly. We will continue with our 80-20 portfolio strategy so that our land reserves continue to consist of parcels located in our cities of choice. We believe this enables us to optimize resource allocation and also establish a strong market position in our target city clusters more effectively.

HISTORY AND DEVELOPMENT

We trace our history back to the founding of our Company in 1998 with initial registered capital of RMB5,339.7 million. Following our merger and asset reorganization with Chongqing Dongyuan Steel Industry Co., Ltd. (重慶東源鋼業股份有限公司) (“**Chongqing Dongyuan**”) in 2011, the surviving merged entity was renamed as “Jinke Property Group Co., Ltd. (金科地產集團股份有限公司)” and consequently, we became listed on the Shenzhen Stock Exchange (Stock code: 000656). As of the date of this offering memorandum, our direct controlling shareholder is Jinke Holdings Group Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and the actual controller is Mr. Huang Hongyun.

The Group has experienced a number of significant events over the last 20 years in its corporate history:

Year	Event
1998.....	Our Company was established under the name of “Jinke Da Real Estate Development (Group) Co., Ltd. (金科達置業(集團)有限責任公司)”.
2004.....	<p>We were ranked among “China Top 100 Real Estate Enterprises (中國地產百強企業)” by China Real Estate TOP10 Research (中國房地產TOP10 研究組) founded by the Development Research Center of the State Council (國務院發展研究中心企業研究所), Tsinghua Institute of Real Estate Institute of Tsinghua University (清華大學房地產研究所) and China Index Academy (中國指數研究院).</p> <p>The Ministry of Construction of the PRC granted us the first-grade qualification certificate for a real estate development enterprise.</p>
2007.....	The implementation of our geographical expansion strategy began with our initial entry into the Yangtze River Delta region.
2008.....	We expanded our business operations to Beijing – our first entry into a tier-one city. In addition, the growth of our geographical footprint saw us commencing property development projects in Chongqing and other major cities in the provinces of Sichuan, Hunan and Jiangsu.
2009.....	<p>We were awarded “Top 19 Real Estate Brands in China (中國地產品牌19 強)” by China Real Estate TOP10 Research (中國房地產TOP10研究組), founded by the Development Research Center of the State Council (國務院發展研究中心企業研究所), Real Estate Institute of Tsinghua University (清華大學房地產研究所) and China Index Academy (中國指數研究院).</p> <p>We were awarded “China Famous Trademark (中國馳名商標)” by the Trademark Office of the State Administration for Industry and Commerce of the PRC (中國國家工商行政管理局商標局).</p>
2010.....	<p>We were ranked ninth among the “Top 10 Real Estate Brands in China (中國地產品牌10強)” by the China Real Estate TOP10 Research.</p> <p>Our sales of properties exceeded RMB11 billion for the first time.</p>
2011.....	<p>We underwent a merger and asset reorganization with Chongqing Dongyuan and consequently, became listed on Shenzhen Stock Exchange.</p> <p>We commenced our “622 strategy (622戰略)” by devoting 60% of our resources into developing our presence in midwestern China with a main focus on Chongqing and 20% of our resources into developing our presence in the Yangtze River Delta Economic Zone and Bohai Rim and our “1030 strategy (1030戰略)” by entering into 30 cities within Chongqing over a span of ten years.</p>
2012.....	We were ranked first among “Top 50 Private Enterprises in Chongqing (重慶民營企業50強)” by the Chongqing Municipal Government, and 16th among the “China Top 100 Real Estate Enterprises – Overall Strength (中國房地產百強企業—綜合實力)” by the China Real Estate TOP10 Research.
2013.....	<p>We were listed among “China Top 500 Enterprises (中國企業500強)” for the first time.</p> <p>Our property sales revenue reached RMB22.5 billion.</p>

Year	Event
2017.....	<p>We continue to improve our geographical mix through replenishment of quality land reserves and taking a balanced approach to the distribution of our land bank among cities, underpinned by a fundamental growth strategy to focus on “Three Zones and One Belt (三圈一帶)” in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, and 25 core cities.</p> <p>Jinke Industrial Investment Development Group Co., Ltd. (金科產業投資發展集團有限公司), our main operating subsidiary for our diversification into industrial real estate products, was established.</p>
2018.....	<p>Our sales of properties exceeded RMB100 billion.</p> <p>We received a corporate rating of “AAA” from China Chengxin Securities Rating Co., Ltd. (中誠信證券評估有限公司).</p> <p>On April 18, our three major property brands, Jinke Jimei (金科集美系), Jinke Bocui (金科博翠系) and Jinke Qionghua (金科瓊華系), each representing a separate product line of traditional mansions, elegant houses and modern apartments, but all styled with oriental elements, were launched nationwide in the PRC.</p> <p>On May 18, we commenced the construction of the main building at our headquarters.</p> <p>On May 21, we celebrated our 20th anniversary.</p> <p>For the first time, we were included in the Forbes Global 2000 List for 2018.</p> <p>Shanghai Jinke Cultural Tourism Development Group Co., Ltd. (上海金科文化旅遊發展集團有限公司), our main operating subsidiary for our diversification into tourism real estate products, was established.</p>
2019.....	<p>We were ranked 17th among “China Top 100 Real Estate Enterprises (中國房地產百強企業)” by the China Real Estate TOP10.</p> <p>We were included again in the Forbes Global 2000 List for 2019.</p> <p>On June 20, we successfully completed our debut offshore offering of 8.375% senior notes due 2021 in an aggregate principal amount of US\$300 million.</p>
2020.....	<p>Our sales of properties exceeded RMB200 billion.</p> <p>For the 16th consecutive year, we ranked among “China Top 100 Real Estate Enterprises (中國房地產百強企業)”. We also ranked 23rd among “China Top 500 Private Enterprises (中國民營企業500強).</p> <p>We topped “Chongqing Top 100 Enterprises (重慶企業100強)” for the first time.</p> <p>We were included again in the Forbes Global 2000 List for 2020.</p> <p>On November 17, Jinke Smart Services Group Co., Ltd. (金科智慧服務集團股份有限公司) (“Jinke Services”), our majority-owned main operating subsidiary for our property management business, successfully completed its initial public offering and became listed on the HKSE with the stock code 9666.</p>

Year	Event
	Shanghai Jinke Commercial Management Co., Ltd. (上海金科商業管理有限公司), our main operating subsidiary for our diversification into big commerce and related services, was established.
	We obtained “AAA” ratings from the full spectrum of domestic rating agencies.
2021	For the 17th consecutive year, we ranked among “China Top 100 Real Estate Enterprises (中國房地產百強企業)”.
	We were included again in the Forbes Global 2000 List for 2021.
	We were assigned a corporate credit rating of “BB-” with a stable outlook by S&P.

AWARDS AND ACCOLADES

In recent years, we have received the following key awards and accolades in recognition of our projects and operations:

Property Development

Year	Awards
2021	<ul style="list-style-type: none"> • Included in the Forbes Global 2000 List • Ranked 15th among “China Top 100 Real Estate Enterprises (中國房地產百強企業)”, the 17th consecutive year we have been named in this list • Ranked 23rd among “2021 China Top 500 Real Estate Enterprises – Overall Strength (2021中國房地產開發企業綜合實力 Top 500)” • China Top 50 Commercial Real Estate Enterprises – Overall Strength (中國商業地產綜合實力Top 50)
2020	<ul style="list-style-type: none"> • Included in Forbes Global 2000 List • Ranked 17th among “China Top 100 Real Estate Enterprises (中國房地產百強企業)”, the 16th consecutive year we have been named in this list • Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強), the 7th consecutive year we have been named in this list • Best 20 China Real Estate Listed Companies – Overall Strength (中國房地產上市公司綜合實力20強), the 7th consecutive year we have been named in this list • Ranked 3rd among “China Real Estate Companies Top 10 Brand Value (中國房地產公司品牌價值10強)” and first for the Southwest China region, the 12th consecutive year we have been named in this list • 2020 China Top 10 Green Real Estate Enterprises (2020中國綠色地產(商業) Top 10) • 2020 China Top 10 Green Real Estate Private Enterprises (2020中國綠色地產民企Top 10)

Year	Awards
	<ul style="list-style-type: none"> • 2020 China Top 20 Green Real Estate Enterprises (2020中國綠色地產Top 20) • Ranked 23rd among “China Top 500 Private Enterprises (中國民營企業500強)” • Ranked 114th among “China Top 500 Enterprises (中國企業500強)”, the 8th consecutive year we have been named in this list • Ranked 51st among “China Top 500 Enterprises - Service Enterprises (中國企業服務企業500強)”
2019.....	<ul style="list-style-type: none"> • Included in Forbes Global 2000 List • Ranked 17th among “China Top 100 Real Estate Enterprises (中國房地產百強企業)”, the 15th consecutive year we have been named in this list • Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強), the 6th consecutive year we have been named in this list • Best 20 China Real Estate Listed Companies – Overall Strength (中國房地產上市公司綜合實力20強) • China Top 500 Enterprises (中國企業500強) • Ranked 35th among “China Top 500 Private Enterprises (中國民營企業500強)” • Ranked 3rd among “China Real Estate Companies Top 10 Brand Value (中國房地產公司品牌價值10強)” • Top 10 Brands of China Real Estate Companies – Brand Value of RMB16,100,000,000 (中國房地產公司品牌價值10強 (混合所有) – 品牌價值：人民幣壹佰六十一億元) • Top 30 Most Influential China Real Estate Enterprises for the Year (中國年度影響力地產企業Top 30)
2018.....	<ul style="list-style-type: none"> • Included in Forbes Global 2000 List • Most Influential China Real Estate Enterprises (中國最具影響力地產企業) • China Strength Brands Top 500 (影響世界的中國力量品牌500強) • China Real Estate Companies Top 10 Brand Value (中國房地產公司品牌價值10強) • Fortune China 500 (財富中國企業500強) • China Top 500 Enterprises (中國企業500強) • China Top 500 Private Enterprises (中國民營企業50強)

Year	Awards
	<ul style="list-style-type: none"> • China Specialized Leading Enterprises for Residential Properties (中國住宅產品專業領先企業) • Ranked 17th in “China Top 100 Real Estate Enterprises (中國房地產百強企業)”, the 14th consecutive year we have been named in this list • 2017-2018 China Real Estate Poverty Alleviation Benchmarking Developers (2017-2018中國房地產年度扶貧標杆企業) • China Top 20 Excellent Commercial Real Estate Enterprises (中國商業地產二十強企業) • 2017-2018 Outstanding Commercial Real Estate Enterprises (2017-2018年度商業地產卓越企業) • China Top 20 Excellent Industrial Park Operators (2018中國產業園區運營二十強企業) • Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強) • Ranked 8th in “2018 China Top 30 Green Real Estate Enterprises (2018中國綠色地產30強)” • Ranked 9th in “2018 China Top 10 Green Real Estate Enterprises (Residential) 2018中國綠色地產（住宅）10強”
2017.....	<ul style="list-style-type: none"> • Ranked 1st in both “2017 China Top 50 Real Estate Enterprises in the Southwest Region (2017中國房地產開發企業西南區域50強)” and “2017 China Top 5 Real Estate Enterprises in Chongqing (2017中國房地產開發企業重慶區域5強)” • Most Influential China Real Estate Enterprise (中國最具影響力地產企業) • Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強) • Top 10 Brands of China Real Estate Companies – Brand Value of RMB14,808,000,000 (中國房地產公司品牌價值10強（混合所有）—品牌價值：人民幣壹佰肆拾捌億捌佰萬元) • China Top 100 Real Estate Enterprises (中國房地產百強企業) • 2017 China Top 100 Real Estate Enterprises – Top 10 Financial Stability (2017中國房地產百強企業 – 穩健性10強) • China Influential Real Estate Brands (中國年度影響力地產品牌) • China Real Estate Hall of Fame – 25-Year Honor Award (中國房地產界25年榮譽殿堂榮譽獎) • Ranked 18th in the National Real Estate Ranking (全國房企綜合排名18位) • China Top 20 Green Real Estate Enterprises (中國綠色地產20強)

Year	Awards
2016.....	<ul style="list-style-type: none"> • Top 20 Most Influential China Real Estate Enterprises in 20 Years (中國房地產20年20大影響力企業) • Best 10 China A-Shares Real Estate Listed Companies (中國房地產上市公司A股10強) • Best 20 China Real Estate Listed Companies – Overall Strength (中國房地產上市公司綜合實力20強) • Top 10 Brands of China Real Estate Companies – Brand Value of RMB12,146,000,000 (中國房地產公司品牌價值10強 (混合所有) – 品牌價值：人民幣壹佰貳拾壹億肆仟陸佰萬元) • Best 20 China Real Estate Developers (中國房地產開發企業20強) • China Top 500 Enterprises (中國企業500強) • China Top 100 Real Estate Enterprises (中國房地產百強企業) • China Top 20 Quality Living Enterprises (中國美好生活20強) • China Most Socially Responsible Listed Company Award (中國最具社會責任上市公司獎)

Property Management

Year	Awards
2021.....	<ul style="list-style-type: none"> • China Top 100 Property Management Companies (中國物業服務百強企業)
2020.....	<ul style="list-style-type: none"> • China Top 10 Property Management Companies – Overall Strength (中國物業服務企業綜合實力Top 10), the 5th consecutive year we have been named in this list • China Top 100 Property Management Companies (中國物業服務百強企業) • China Top 10 Private Enterprises - Service Enterprises (中國民營企業服務企業Top 10) • 2020 China Leading Property Management Enterprises – Technology Empowerment (2020中國物業科技賦能領先企業) • Recognized as a leading enterprise among “China Top 100 Property Management Companies –Quality of Services (中國物業服務百強企業服務質量領先企業)” • 2020 Leading Property Management Service Enterprise with Chinese Characteristics—City Service (2020中國特色物業服務領先企業—城市服務)
2019.....	<ul style="list-style-type: none"> • China Top 10 Property Management Companies – Overall Strength (中國物業服務企業綜合實力Top 10), the 4th consecutive year we have been named in this list

Year	Awards
	<ul style="list-style-type: none"> <li data-bbox="542 241 1402 324">• China Top 100 Property Management Companies (中國物業服務百強企業) <li data-bbox="542 336 1402 418">• Ranked 15th among “China Top 500 Private Enterprises - Service Enterprises (中國民營企業服務企業500強)” <li data-bbox="542 430 1402 535">• Recognized as a leading enterprise among “China Top 100 Property Management Companies –Quality of Services (中國物業服務百強企業服務質量領先企業)” <li data-bbox="542 546 1402 651">• China Top 100 Property Management Companies – Top 10 Scale (中國物業服務百強企業服務規模10強), the 3rd consecutive year we have been named in this select list <li data-bbox="542 663 1402 745">• 2019 Top 50 China Property Management Service Enterprises in terms of Brand Value (2019物業服務企業品牌價值50強) <li data-bbox="542 757 1402 862">• “Jinke Service” was recognized as one of the Top 50 Influential Publications in the Property Management Media Valuation (物業管理媒體測評(刊物)影響力Top 50) <li data-bbox="542 873 1402 1041">• Customer satisfaction level of over 90% showed in homeowner satisfaction surveys (協力廠商調查業主滿意度超過90%) conducted by China Index Academy (中國指數研究院) for the past eight consecutive years
2018.....	<ul style="list-style-type: none"> <li data-bbox="542 1052 1402 1158">• China Top 10 Property Management Companies – Overall Strength (中國物業服務企業綜合實力Top 10), the 3rd consecutive year we have been named in this list <li data-bbox="542 1169 1402 1252">• China Top 100 Property Management Companies (中國物業服務百強企業) <li data-bbox="542 1263 1402 1368">• China Top 100 Property Management Companies – Top 10 Growth (中國物業服務百強企業成長性10強), the 2nd consecutive year we have been named in this select list <li data-bbox="542 1379 1402 1485">• Recognized as a leading enterprise among “China Top 100 Property Management Companies –Quality of Services (中國物業服務百強企業服務質量領先企業)” <li data-bbox="542 1496 1402 1579">• China Top 10 Blue Chip Property Management Companies (中國藍籌物業企業十強), the 3rd consecutive year we have been named in this list <li data-bbox="542 1590 1402 1695">• China Top 100 Property Management Companies – Top 10 Scale (中國物業服務百強企業服務規模10強), the 2nd consecutive year we have been named in this select list <li data-bbox="542 1706 1402 1812">• China Top 100 Property Management Companies – Top 10 Overall Strength (物業服務百強企業綜合實力10強), the 2nd consecutive year we have been named in this select list <li data-bbox="542 1823 1402 1984">• China Leading Property Management Companies in terms of Unique Property Services – Smart Technology (中國特色物業服務領先企業 – 智慧科技物業)

Year	Awards
2017.....	<ul style="list-style-type: none"> • China Top 100 Property Management Companies (中國物業服務百強企業) • China Top 100 Property Management Companies – Top 10 Growth (中國物業服務百強企業成長性10強) • China Top 100 Property Management Companies – Top 10 Scale (中國物業服務百強企業規模10強) • China Top 100 Property Management Companies – Top 10 Overall Strength (中國物業服務百強企業綜合實力10強) • China Top 10 Community Service Providers (中國社區服務商10強) • 2017 Top 100 China Community Service Providers – Top 10 Customer Satisfaction (2017中國社區服務商百強客戶滿意度十強) • Top 5 Innovative Companies among 2017 China Top 100 Community Service Providers (2017中國社區服務商百強創新性五強)
2016.....	<ul style="list-style-type: none"> • China Property Management Leading Branded Enterprise in terms of Professional Operations (中國物業服務專業化運營領先品牌企業) • China Top 100 Property Management Companies (中國物業服務百強企業) • China Top 100 Property Management Companies – Top 10 Overall Strength (中國物業服務百強企業綜合實力10強) • China Top 100 Property Management Companies – Top 10 Service Quality (中國物業服務百強企業服務品質10強) • Our mobile application for property management service, Jinke Grand Community (金科大社區), was awarded “Top 20 Community Service Providers Apps (中國社區服務商旗下APP平臺 Top 20)” • China Top 10 Preferred Gold Property Management Companies (中國房地產首選10大金牌物業), the 2nd consecutive year we have been named in this list • China Top 10 Community Service Providers (2016中國社區服務商 10強) • Top 10 China Community Service Providers in terms of Customer Satisfaction (中國社區服務商客戶滿意度10強) • Top 10 among China Top 500 Preferred Property Management Companies (中國房地產開發企業500強首選物業管理公司10強)

RECENT DEVELOPMENTS

Our Quarterly Financial Results for the Three Months Ended March 31, 2021

On April 30, 2021, we published our financial results as of and for the three months ended March 31, 2020 in the PRC. For the three months ended March 31, 2021, we reported increases in our operating revenue, operating profit and net profit as compared to the same period in 2020. These increases were primarily attributable to an increase in sales of our properties. Since December 31, 2020, we also acquired more land with a total site area of approximately 1.8 million sq.m., adding a total planned GFA of approximately 4.0 million sq.m. to our land

reserves. Corresponding with such increase in sales and continued expansion of our business scale, our operating cost recorded an increase too, particularly our selling expenses, administrative expenses and financial expenses. The increased selling expenses and administrative expenses were primarily due to, other than the increase in sales of our properties, increased management costs resulting from our business expansion, while the increased financial expenses mainly resulted from the decrease in interest income. As of March 31, 2021, our total assets recorded a stable increase as compared to the balance as of December 31, 2020, primarily due to increases in notes receivable, accounts receivable, other receivables, inventories and long-term equity investments. Our total liabilities as of the same date increased by a similar margin, primarily due to increases in notes payable, contract liabilities and long-term borrowings. We continued to obtain new loan facilities and issue debt securities in the ordinary course of business to support our operations. Since January 2021, we issued medium term notes in an aggregate principal amount of RMB500.0 billion, domestic corporate bonds in an aggregate principal amount of RMB2,950 million, commercial mortgage-backed securities in an aggregate principal amount of RMB1,685.0 million, and super short term bonds in an aggregate principal amount of RMB1.8 billion in the PRC.

Our Company publishes its quarterly financial results on the website of Shanghai Clearing House, which have not been reviewed or audited by our independent auditors or any other person and consequently should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. For the avoidance of doubt, our published quarterly financial results, including those as of and for the three months ended March 31, 2021, are not incorporated by reference herein and do not constitute part of this offering memorandum.

Acquisition of Hexie Health

On June 26, 2019, we entered into a share transfer agreement with, among others, AnBang Insurance Group Co., Ltd. (安邦保險集團股份有限公司) and AnBang Property & Casualty Insurance Co., Ltd. (安邦財產保險股份有限公司) in respect of an acquisition of Hexie Health Insurance Co., Ltd. (和諧健康保險股份有限公司) (“Hexie Health”) for aggregate consideration of approximately RMB22.8 billion. The other joint acquirors are Fujia Group Co., Ltd. (福佳集團有限公司), Nanjing Yangzi State-owned Investment Group Co., Ltd. (南京揚子國資投資集團有限責任公司), Zhuhai Da Heng Qin Company Limited (珠海大橫琴集團有限公司) and Liangyun Group Co., Ltd. (良運集團有限公司). We purchased a 9.9% equity interest in Hexie Health at consideration of RMB2,257.2 million. On March 19, 2020, the CBIRC approved the change in shareholders of Hexie Health, following which, we paid our share of the purchase consideration in full. As of the date of this offering memorandum, the business registration of the share transfer is still pending. Hexie Health specializes in the provision of health insurance and other types of insurance. We believe the acquisition will, in addition to enhancing our financial performance and assets, further diversify and strengthen our overall business portfolio and structure.

Issuance of Domestic Corporate Bonds

Our proposed issuance plan of domestic corporate bonds of no more than RMB8 billion in aggregate principal amount to professional investors had been approved by the China Securities Regulatory Commission. Phase 1 of our proposed issuance plan will comprise two types of bonds and not exceed RMB1.9 billion in total aggregate principal amount. The first type of bonds will have a term of four years and the issuer has the option to adjust the coupon at the end of the second year and bondholders have an option to redeem the bonds, whereas the second type of bonds will have a term of five years and the issuer has the option to adjust the coupon at the end of the third year and bondholders have an option to redeem the bonds. The issuance quotas of both types of corporate bonds are interchangeable and there is no restriction on the proportion of one type to the other. In January 2021, we issued the first type of corporate bonds in a principal amount of RMB750 million with a coupon of 6.2% and a four-year maturity. As of the date of this offering memorandum, we have yet to issue the second type of corporate bonds. For phase 2 of our proposed issuance plan, we issued corporate bonds in a principal amount of RMB2.2 billion in March 2021 with a coupon of 6.3% and a term of four years. We have the option to adjust the coupon at the end of the second year and bondholders have an option to redeem the bonds.

OUR BUSINESS OPERATIONS

Our principal business activities are property development, property management, hotel management and wind energy investment and development, in addition to engaging in other ancillary businesses, including, among others, provision of property construction services, property leasing, landscape engineering and materials sales.

The table below sets forth a breakdown of our operating revenue⁵¹ by business segment in absolute amount and as a percentage of the total operating revenue for the periods indicated:

	Year ended December 31,					
	2018		2019		2020	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(US\$'000)	(US\$'000)
	(audited)	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Property development.....	38,006,217.0	63,109,610.3	82,376,403.0	12,624,736.1		
Property management.....	1,734,006.2	2,309,849.4	2,944,344.1	451,240.5		
Hotel management.....	266,737.7	261,477.6	222,958.6	34,169.9		
Wind energy investment and development.....	187,544.3	414,502.0	1,393,110.0	213,503.4		
Others ⁽¹⁾	3,477,603.3	7,496,840.7	11,646,566.7	1,784,914.4		
Intersegment eliminations.....	(2,438,431.8)	(5,818,905.5)	(10,878,972.4)	(1,667,275.5)		
Total	41,233,676.4	67,773,374.5	87,704,410.0	13,441,288.9		

Note:

(1) Include our other ancillary businesses, such as property construction services, property leasing, landscape engineering and materials sales.

The table below sets forth a breakdown of our gross profit⁵² by business segment in absolute amount and as a percentage of the total gross profit for the periods indicated:

	Year ended December 31,						
	2018		2019		2020		
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	(US\$'000)	%
	(audited)	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(unaudited)
Property development.....	10,854,219.0	92.1	18,375,213.8	94.0	18,878,588.4	2,893,270.3	92.9%
Property management.....	325,270.6	2.8	596,629.4	3.1	949,949.8	145,586.2	4.7%
Hotel management.....	174,740.9	1.5	177,488.2	0.9	154,441.8	23,669.2	0.8%
Wind energy investment and development.....	93,164.4	0.8	215,575.7	1.1	337,588.7	51,737.7	1.7%
Others ⁽¹⁾	306,921.1	2.6	720,411.2	3.7	933,987.0	143,139.8	4.6%
Intersegment eliminations.....	26,791.3	0.2	(542,003.5)	(2.8)	(940,354.9)	(144,115.7)	(4.6%)
Total	11,781,107.3	100.0	19,543,314.8	100.0	20,314,200.8	3,113,287.5	100.0

Note:

(1) Include our other ancillary businesses, such as property construction services, new energy and property leasing.

Our Property Development Business

Our operations in property development primarily consist of development and sales of real estate projects, comprising predominantly residential properties and integrated residential communities with comprehensive on-site facilities as well as commercial and industrial properties.

For the years ended December 31, 2018, 2019 and 2020, operating revenue from our sales of properties were RMB38,006.2 million, RMB63,109.6 million and RMB82,376.4 million (US\$12,624.7 million), respectively, representing 92.2%, 93.1% and 93.9% of our total operating revenue. For the years ended December 31, 2018, 2019 and 2020, the gross profit from our sales of properties were RMB10,854.2 million, RMB18,375.2 million and RMB18,878.6 million (US\$2,893.3 million), respectively, representing 92.1%, 94.0% and 92.9%, respectively, of our total gross profit.

Over the years, we have gone from strength to strength, with total contracted sales⁵³ of RMB217.8 billion (US\$33.4 billion) and total contracted GFA sold⁵⁴ of approximately 22.4 million sq.m. achieved for the year ended December 31, 2020. In particular, sales in Chongqing contributed approximately 19%, whereas sales in the regions of East China, Southwest China (excluding Chongqing), Central China, North China, South China, Northwest China and Northeast China contributed approximately 41%, 12%, 13%, 4%, 7%, 2% and 2%, respectively. We believe that we are ahead of our industry peers in terms of such total contracted sales and total contracted GFA

⁵¹ Segment operating revenue for the years ended December 31, 2018, 2019 and 2020, included here and elsewhere in this offering memorandum, did not take into account intersegment eliminations

⁵² Segment gross profit for the years ended December 31, 2018, 2019 and 2020, included here and elsewhere in this offering memorandum, did not take into account intersegment eliminations.

⁵³ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁵⁴ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

sold for 2018 to 2020, placing 22nd, 17th and 16th (total contracted sales) and 10th, 8th and 9th (total contracted GFA sold), respectively.

The following table sets out certain details of our property sales for the periods indicated:

	Year ended December 31,		
	2018	2019	2020
Contracted sales ⁽¹⁾ (RMB in billions)	99.3	148.1	160.7
Contracted GFA ⁽¹⁾ (million sq.m.).....	11.9	16.0	17.2
Average selling price ⁽¹⁾ (RMB per sq.m.).....	8,366	9,274	9,359
Contracted sales ⁽²⁾ (RMB in billions)	115.6	181.4	217.8
Contracted GFA ⁽²⁾ (million sq.m.).....	13.4	19.1	22.4
Average selling price ⁽²⁾ (RMB per sq.m.).....	8,614	9,522	9,723
Total property-related sales ⁽³⁾ (RMB in billions).....	118.8	186.0	223.2
Net cash received ⁽⁴⁾ (RMB in billions)	105.1	161.0	201.1
Cash turnover rate ⁽⁴⁾ (%).....	88%	87%	90%

Notes:

- (1) Based on 100% interest attributable to us for properties consolidated into our financials and actual interest attributable to us for unconsolidated properties developed by our joint ventures and associates.
- (2) Based on 100% interest attributable to us for both properties consolidated into our financials and unconsolidated properties developed by our joint ventures and associates.
- (3) Includes sales amounts relating to our property developments and other related services.
- (4) Includes cash from sales relating to our property developments and other related services.
- (5) Calculated by dividing total property-related sales amount by net cash received.

Broad market acceptance of our properties can also be discerned from our annual sell-through rate of 73.7% for 2020, as well as our sell-through rates in the various domestic regional markets in which we develop properties, namely Chongqing (78.0%), Central Plains (71.9%), East China (70.1%), South China (78.0%), Zhejiang-Shanghai Region (77.8%), Yunnan-Guangxi Region (84.9%), the western region of Shandong (73.3%), Hunan (91.2%) and Sichuan-Shaanxi Region (72.4%).

Land Bank

Our land bank comprises premium locations in provinces and municipalities in the PRC, such as Chongqing, Jiangsu, Zhejiang, Sichuan, Shandong, Yunnan, Guizhou, Hubei, Hunan, Hebei, Henan, Guangxi, Jiangxi, Guangdong, Shanghai, Tianjin, Beijing and Liaoning. As of December 31, 2020, we had a land bank with a total GFA⁵⁵ of approximately 71.1 million sq.m., representing more than 620 projects across 23 provinces and cities, and comprised, among others, (i) aggregate GFA completed and unsold⁵⁶ of approximately 2.1 million sq.m., (ii) aggregate GFA under development and unsold⁵⁷ of approximately 36.6 million sq.m., (iii) aggregate GFA held for future development and unsold⁴³ of approximately 6.6 million sq.m., and (iv) aggregate GFA unsold attributable to us for properties developed by our joint ventures and associates⁵⁸ of approximately 10.5 million sq.m. Our land bank⁵⁹ is also relatively geographically diverse, with approximately 24.5% of our land situated in Chongqing, and the remaining reserves spread out across the regions of East China, Central China, Southwest China, North China, South China, Northeast China and West China as to 22.8%, 17.2%, 16.5%, 4.8%, 9.6%, 2.7% and 1.9%, respectively.

The following table sets forth a geographical breakdown of our land bank by region as of December 31, 2020:

⁵⁵ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

⁵⁶ Excluding properties that are not consolidated into our financials and properties completed prior to 2017.

⁵⁷ Excluding properties that are not consolidated into our financials.

⁵⁸ Such properties are not consolidated into our financials.

⁵⁹ Including properties developed by our joint ventures and associates that are not consolidated into our financials and calculated based on 100% interest attributable to us.

Locations (Regions)	GFA⁽¹⁾ (sq.m.)	GFA⁽²⁾ (sq.m.)
Northeast China	1,906,506	1,359,224
North China.....	3,383,250	2,570,483
East China.....	16,240,796	12,500,556
South China.....	6,848,808	5,291,652
Central China.....	12,246,965	8,315,629
Northwest China.....	1,349,392	1,349,392
Southwest China.....	29,157,851	25,137,645
Total	71,133,570	56,524,580

Notes:

- (1) Based on 100% interest attributable to us for both properties consolidated into our financials and unconsolidated properties developed by our joint ventures and associates.
- (2) Based on 100% interest attributable to us for properties consolidated into our financials and actual interest attributable to us unconsolidated properties developed by our joint ventures and associates.

The following table sets forth a geographical breakdown of our land bank by tier-level of cities as of December 31, 2020:

Locations (Cities)	GFA⁽¹⁾ (sq.m.)	GFA⁽²⁾ (sq.m.)
First-tier	923,930	632,759
Second-tier.....	39,465,003	31,157,137
Third-tier.....	15,839,917	12,254,192
Fourth-tier.....	14,904,720	12,480,492
Total	71,133,570	56,524,580

Notes:

- (1) Based on 100% interest attributable to us for both properties consolidated into our financials and unconsolidated properties developed by our joint ventures and associates.
- (2) Based on 100% interest attributable to us for properties consolidated into our financials and actual interest attributable to us unconsolidated properties developed by our joint ventures and associates.

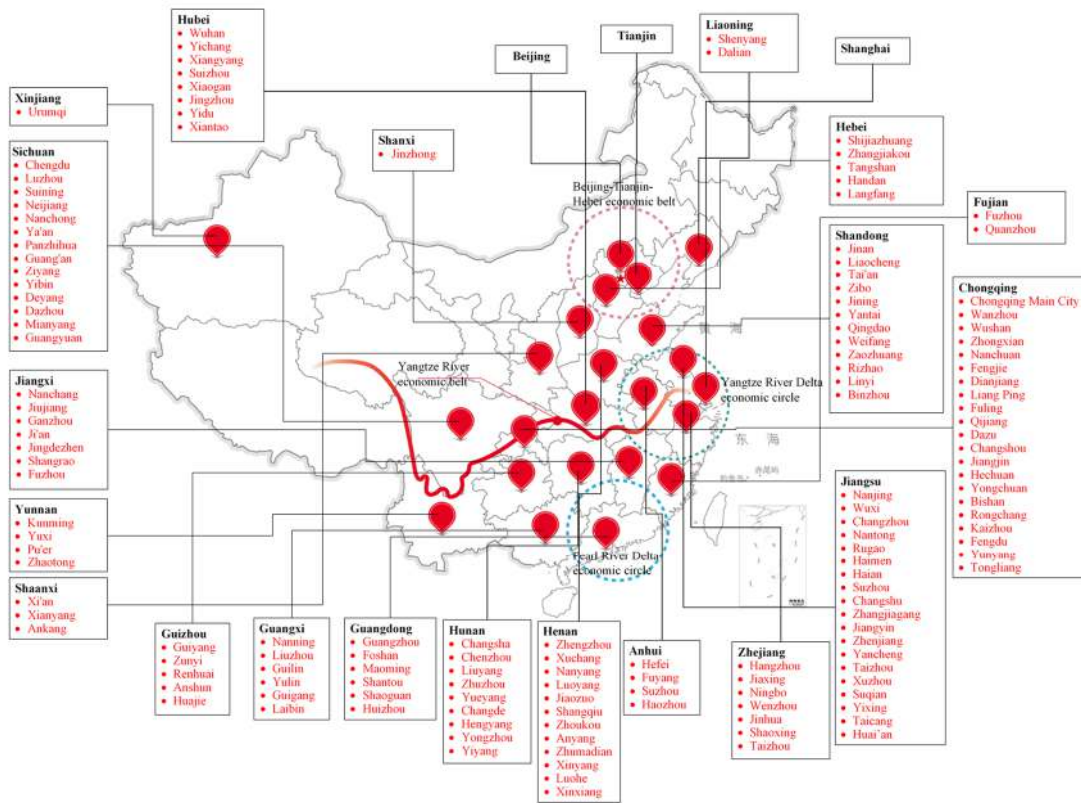
We intend to continue to concentrate the growth of our business and consolidate our position in the cities where we have successfully established our market presence. Concurrently, we are exploring the expansion of our geographical footprint to other cities and regions with growth potential.

Our Projects

As of December 31, 2020, we had a total of 421⁶⁰ property projects at various stages of development (excluding completed projects and certain planned projects for future development) in selected cities in China. The majority of these projects are located in the regions that constitute the Yangtze River Delta Economic Zone, the Beijing-Tianjin-Hebei Economic Zone, the Guangdong-Hong Kong-Macau Greater Bay Area and the Yangtze River Economic Belt.

⁶⁰ Including properties that are developed by our joint ventures and associates which are not consolidated into our financials.

The map below illustrates the geographical footprint of our real estate properties⁶¹:



⁶¹ Including properties that are developed by our joint ventures and associates which are not consolidated into our financials.

The following table sets forth the GFA and other key information of our property development projects (excluding projects completed prior to 2017 and those being developed by our joint ventures and associates that are not consolidated into our financials) in the PRC as of December 31, 2020. The GFA data of each project represents the relevant data of such project as a whole and does not reflect the amount of GFA attributable to us to the extent that our interest in such project is less than 100%.

No.	Projects	Type	Interest Attributable to us (%)	Total GFA ⁽¹⁾ (sq.m.)	GFA under Development ⁽²⁾ (sq.m.)	GFA Completed ⁽³⁾ (sq.m.)	GFA Held for Future Development ⁽⁴⁾ (sq.m.)	Total GFA Sold ⁽⁵⁾ and Delivered (sq.m.)	Total GFA Sold ⁽⁵⁾ but Undelivered (sq.m.)
Chongqing									
Completed Projects									
1	Jiangjin·Jinke Jimeijun (江津·金科集美郡)	Residential	99	399,727	–	399,727	–	317,991	14,164
2	Yongchuan Jinke Jimei Tianchen (永川金科集美天宸)	Residential	97	313,231	–	313,231	–	253,644	8,592
3	Yongchuan Tianyue Mansion (永川天悅府)	Residential	49	161,335	–	161,335	–	127,186	705
4	Yongchuan·Rongchang World City (永川·榮昌世界城)	Residential	100	956,463	–	956,463	–	925,823	4,174
5	Yongchuan·Imperial Mansion (永川·公園王府)	Residential	100	332,020	–	332,020	–	283,275	8,417
6	Wushan Jinke City Phase I (巫山金科城一期)	Residential	99	320,754	–	320,754	–	277,945	7,541
7	Tianyuan Daoyi Land One (天元道—宗地一)	Residential	99	590,072	–	590,072	–	393,072	5,182
8	Tianyuan Daoyi Land Two (天元道—宗地二)	Residential	99	500,852	–	500,852	–	401,100	72,662
9	Shuangshan New Project (雙山新項目)	Residential	100	62,873	–	62,873	–	62,536	–
10	Shuangshan Jinke Xingchen (雙山金科星辰)	Residential	100	272,199	–	272,199	–	173,255	4
11	Nanchuan World City Phase III Land (南川世界城三期地塊)	Residential	100	300,329	–	300,329	–	211,742	28,755
12	Lijiatuo Jimei Jinwan (李家沱集美錦灣)	Residential	67	174,715	–	174,715	–	113,557	9,407
13	Konggang Project (空港項目)	Residential	51	435,702	–	435,702	–	353,694	6
14	Kaixian Jinke Yuehu Mingmen (開縣金科悅湖名門)	Residential	100	81,611	–	81,611	–	57,609	2,057
15	Kaixian Jimei Lake 69 Mu (開縣集美湖畔69畝)	Residential	97	154,810	–	154,810	–	118,021	134
16	Jinke Central Mansion (金科中央華府)	Residential	100	220,170	–	220,170	–	191,037	318
17	Jinke Yunxi Terrace (金科雲臺台)	Residential	100	509,080	–	509,080	–	396,332	54,661
18	Jinke Weila Garden Project (金科維拉莊園項目)	Residential	91	256,083	–	256,083	–	215,501	4,775
19	Jinke Tianhuying 74 Mu (金科天湖印74畝)	Residential	98	227,457	–	227,457	–	181,025	38,328
20	Jinke Tianhuying (金科天湖印)	Residential	98	60,495	–	60,495	–	53,107	2,597
21	Jinke Jiuquhe (金科九曲河)	Residential	100	283,774	–	283,774	–	204,764	41,752
22	Jiangjin Central Park City (江津中央公園城)	Residential	100	843,587	–	843,587	–	761,637	28,676
23	Jiangjin World City (江津世界城)	Residential	100	449,965	–	449,965	–	426,002	9,529
24	Hechuan Tianlai City (合川天籟城)	Residential	51	185,648	–	185,648	–	160,391	4,691
25	Dadukou Jimei Sunshine (大渡口集美陽光)	Residential	55	501,864	–	501,864	–	346,930	15,455
26	Dadukou Bocui Yangtze River (大渡口博翠長江)	Residential	54	141,731	–	141,731	–	98,050	854
27	Tea Garden Central Imperial Court (茶園中央禦院)	Residential	100	524,061	–	524,061	–	492,960	59
28	Bishan Central Park City (璧山中央公園城)	Residential	100	812,792	–	812,792	–	766,076	1,548
29	Bishan Bocui Tianyue (璧山博翠天悅)	Residential	100	139,417	–	139,417	–	123,530	255
Projects Under Development									
30	Chongqing Liangjiang Technology City Plot (兩江健康科技城工業地塊)	Industrial	97	–	82,622	67,929	540,774	–	–
31	Jinke Yida - Liangjiang Technology City (金科億達·兩江健康科技城)	Industrial/ Residential	97	691,325	79,086	407,519	204,720	300,949	144,970
32	Jinke - Jimei City (金科·集美城)	Residential	100	537,020	325,856	–	211,163	–	34,419
33	Chongqing (Jiangjin) Technology Town Industrial Plot (重慶(江津)智慧科技城項目工業地塊)	Industrial	100	119,602	118,602	–	1,000	–	26,122
34	Hechuan Jimei Jiangshan (合川集美江山項目)	Residential	99	529,587	183,422	223,412	122,753	134,509	52,766

No.	Projects	Type	Interest Attributable to us (%)	Total GFA ⁽¹⁾ (sq.m.)	GFA under Development ⁽²⁾ (sq.m.)	GFA Completed ⁽³⁾ (sq.m.)	GFA Held for Future Development ⁽⁴⁾ (sq.m.)	Total GFA Sold ⁽⁵⁾ and Delivered (sq.m.)	Total GFA Sold ⁽⁵⁾ but Undelivered (sq.m.)
35	Zhongxian Jimei Jiangshan (including Plot A and Plot B) (忠縣集美江山 (包含AB地塊))	Residential	50	1,204,146	325,404	219,339	659,402	168,944	29,673
36	Zhaomushan Project (照母山項目)	Residential/Commercial	100	706,334	317,469	388,865	–	218,824	141,523
37	Changshou Jinke Jimei Wenyuan (長壽金科集美文苑)	Residential	100	208,549	105,468	101,556	1,525	55,013	28,973
38	Changshou World City (長壽世界城)	Residential/Commercial	100	1,091,187	238,611	852,576	–	735,234	161,838
39	Yunyang Liangshuiping 31 + 26 Mu (Yunyang Jinke·Tianchen) (雲陽亮水坪31+26畝 (雲陽金科·天宸))	Residential	100	85,698	85,698	–	–	–	46,093
40	Yunyang Jinke World City (雲陽金科世界城)	Residential	60	894,247	2,839	891,369	39	762,277	53,347
41	Yunyang Jiangshanyin (雲陽江山印)	Residential	47	122,205	122,205	–	–	–	54,151
42	Yunyang Jimei Jiangyue (雲陽集美江悅)	Residential	58	562,172	532,818	29,354	–	19,547	225,586
43	Yongchuan Xingchen Sea (永川星辰海)	Residential	98	133,308	133,308	–	–	–	60,428
44	Yongchuan Hushan No. 1 (永川湖山壹號)	Residential	49	175,033	175,033	–	–	–	63,526
45	Xiyong Tianchen (西永項目 (西永天宸))	Residential/Commercial	100	1,779,521	282,978	1,496,543	–	1,279,814	255,825
46	Wushan Jinke City Phase III (巫山金科城三期)	Residential	99	233,088	–	229,595	3,493	186,103	17,371
47	Wushan Jinke City Phase II (巫山金科城二期)	Residential	99	534,101	130,311	–	403,791	–	36,668
48	Wanzhou Bocui River Bank (萬州博翠江岸)	Residential	47	176,941	–	176,941	–	125,546	9,797
49	Tongliang Jimei Oriental (銅梁集美東方)	Residential	48	603,241	468,937	134,304	–	125,341	182,851
50	Tongliang Bocuiyun Mansion (銅梁博翠雲邸)	Residential	98	225,666	225,666	–	–	–	109,655
51	Rongchang Tangyue Mansion (榮昌棠悅府)	Residential	68	481,880	481,880	–	–	–	165,754
52	Rongchang Meili Garden (榮昌美麗苑)	Residential	46	90,576	65,496	25,080	–	389	63,546
53	Rongchang Liyue Oriental (榮昌禮悅東方)	Residential	52	846,482	505,579	337,634	3,268	225,040	223,766
54	Qijiang Yujingjiangwan (綦江禦景江灣)	Residential	95	486,703	174,427	308,276	4,000	101,745	241,617
55	Nanchuan World City (南川世界城)	Residential	100	695,654	129,948	565,706	–	497,562	97,073
56	Longxing (龍興項目)	Residential	100	337,062	27,343	237,903	71,816	142,522	34,921
57	Liang Ping Jimei Oriental (梁平集美東方)	Residential	49	340,605	224,020	116,585	–	91,163	7,686
58	Langyue Jiangshan (琅樾江山)	Residential	34	451,734	255,480	193,254	3,000	196,312	58,796
59	Kaizhou Yongjing Terrace (開州區雍景台)	Residential	69	282,272	172,813	109,125	334	99,043	84,867
60	Kaizhou Fengtai 45 Mu (Fengtai) (開州豐太45畝 (豐泰裡))	Residential	67	90,832	90,832	–	–	–	50,884
61	Jinke Yuzhou Mansion (金科禹州府)	Residential	51	553,522	136,149	138,213	279,160	75,864	47,541
62	Jinke Tianchen (金科天宸)	Residential	99	757,268	100,607	642,138	14,524	526,581	103,995
63	Jinke Nanshan (金科南山)	Residential	100	397,751	134,398	–	263,354	–	41,893
64	Jinke Guantianxia (金科觀天下)	Residential	100	960,622	142,828	724,732	93,062	513,968	157,677
65	Jinke City (金科城)	Residential/Commercial	100	987,742	65,899	921,843	–	799,614	114,635
66	Jinke Riverside Center (金科濱江中心)	Residential	98	187,106	88,988	91,417	6,701	73,697	21,194
67	Jiangjin - Jimei Oriental (江津·集美東方)	Residential	100	322,548	203,830	118,718	–	74,057	29,784
68	Jimei Jiayue (集美嘉悅)	Residential	100	880,497	128,063	752,434	–	456,278	271,747
69	Fuling Yangtze River Star (涪陵長江星辰項目)	Residential	47	102,623	73,829	–	28,794	–	34,871
70	Fuling Jiangdong Jimeijun (涪陵江東集美郡)	Residential	76	185,389	144,112	41,108	169	14,664	2,439
71	Fuling - Central Park City (涪陵·中央公園城)	Residential	100	685,235	57,348	623,797	4,090	446,429	41,785
72	Fengjie Jimei Riverside - A Zone (奉節集美江畔·A區)	Residential	48	178,450	178,450	–	–	–	95,905
73	Fengjie Jimei Riverside (奉節集美江畔)	Residential	48	292,246	6,523	285,723	–	195,980	17,153
74	Fengdu Jimei Oriental (豐都集美東方項目)	Residential	64	556,509	123,590	–	432,919	–	36,726

No.	Projects	Type	Interest	Total GFA ⁽¹⁾	GFA under Development ⁽²⁾	GFA Completed ⁽³⁾	GFA Held for Future Development ⁽⁴⁾	Total GFA Sold ⁽⁵⁾ and Delivered	Total GFA Sold ⁽⁵⁾ but Undelivered
			Attributable to us (%)						
75	Dianjiang Jimei Peony Lake (墊江集美牡丹湖)	Residential	31	325,079	196,395	127,970	714	120,315	100,753
76	Dazu Jimei Tianchen (大足集美天宸)	Residential	47	140,491	140,491	–	–	–	63,954
77	Dazu Jimei Jiangshan (大足集美江山)	Residential	96	186,585	34,866	151,719	–	141,253	11,856
78	Caijia Bocui foothills (蔡家博翠山麓)	Residential	59	118,859	118,859	–	–	–	54,528
79	Bishan Tianyi Mansion (璧山天壹府)	Residential	79	431,846	322,570	109,267	10	102,761	100,073
80	Banan Antlers Jinke Meichen (巴南鹿角金科美辰)	Residential	98	73,009	73,009	–	–	–	55,467
81	Jinke Metropolis (金科大都會)	Residential/ Commercial	100	1,037,347	66,993	478,544	491,810	392,900	45,534
82	Yongchuan District Shennv Lake Wenchang West Road 80 Mu (Hushan Yunlu) (永川區神女湖文昌西路80畝(湖山雲麓))	Residential	47	129,741	76,649	–	53,093	–	22,713
83	Beibei District Caijia L Sub-district 204 Mu Plot (Caijia Bocui future) (北碚區蔡家L分區L33等204畝地塊(蔡家博翠未來))	Residential	100	291,923	136,268	–	155,655	–	33,236
84	Chongqing Main City Shapingba Ciqikou B10 (Ciqikou Qingxi Forest) (重慶主城沙坪壩磁器口B10項目(磁器口青溪林))	Residential	50	70,648	70,648	–	–	–	689
85	Jinke Bocui Chenzhang (金科博翠宸章)	Residential	100	113,476	113,476	–	–	–	8,715
86	Four Seasons Sunshine (四季陽光)	Residential	70	86,297	86,297	–	–	–	11,173
Projects Held for Future Development									
87	Wanzhou Xiangshan Yuan (萬州香山緣)	Residential	100	273,965	–	–	273,965	–	–
88	Guiyang Huaxi Fengming Project (貴陽花溪鳳鳴項目)	Residential	100	941,589	–	–	941,589	–	–
89	Jinke Qingzhen Chaofeng 651 Mu (金科清鎮集鳳651畝項目)	Residential	100	106,870	–	–	106,870	–	–
90	Tongliang Yuanxiang River Bank (銅梁原鄉溪岸)	Residential	55	441,341	–	–	441,341	–	–
91	Chongqing Jiulongpo W23-1 Land 22 Mu Project (重慶九龍坡W分區W23-1地塊22畝項目)	Residential	33	54,497	–	–	54,497	–	–
92	Chongqing Main City Xiyong L66 Land Tender, Auction and Listing-for-sale Project (重慶主城西永L66宗地招拍掛項目)	Residential	40	93,044	–	–	93,044	–	–
93	Chongqing Dianjiang Chang'an Avenue South Side 147.3 Mu Land (重慶市墊江縣長安大道南側147.3畝地塊)	Residential	34	255,935	–	–	255,935	–	–
Jiangsu Province									
Completed Projects									
94	Zhangjiagang Jinke Langqiao Yinxiang (張家港金科廊橋印象)	Residential	70	446,547	–	446,547	–	365,532	16,219
95	Zhangjiagang Jinke Langqiao Beauty Villa (張家港金科廊橋美墅)	Residential	70	145,102	–	145,102	–	118,762	1,843
96	Zhangjiagang Jinke Bocui Famous Residence (張家港金科博翠名邸)	Residential	100	73,780	–	73,780	–	54,908	1,237
97	Wuxi Qianqiao Project (無錫錢橋項目)	Residential	98	83,462	–	83,462	–	51,935	13,592
98	Rugao Jinke World City (如皋金科世界城)	Residential	100	481,456	–	481,456	–	434,298	16
99	Nantong Jinke City (南通金科城)	Residential	100	445,534	–	445,534	–	314,101	32,596
100	Nanjing Yanziji G33 Project (南京燕子磯G33項目)	Residential	99	59,921	–	59,921	–	–	35,554
101	Changshu Yuanjiang Building (常熟源江築)	Residential	50	194,254	–	194,254	–	106,111	32,162
102	Changshu Jinke Jimei Court (常熟金科集美院)	Residential	100	148,393	–	148,393	–	116,031	1,614
Projects Under Development									
103	Zhenjiang 1906 (鎮江1906項目)	Residential	59	211,436	211,436	–	–	–	41,683
104	Zhangjiagang Koi Garden (張家港錦鯉花園)	Residential	50	126,432	126,432	–	–	–	74,969
105	Yixing Jinke Guili (宜興市金科洵裡項目)	Residential	51	174,319	174,319	–	–	–	123,419
106	Yancheng Sheyang Qianhe Lake Project - Four Plots (鹽城射陽千鶴湖項目-四地塊)	Residential	99	177,623	177,623	–	–	–	57,183

No.	Projects	Type	Interest Attributable to us (%)	Total GFA ⁽¹⁾ (sq.m.)	GFA under Development ⁽²⁾ (sq.m.)	GFA Completed ⁽³⁾ (sq.m.)	GFA Held for Future Development ⁽⁴⁾ (sq.m.)	Total GFA Sold ⁽⁵⁾ and Delivered (sq.m.)	Total GFA Sold ⁽⁵⁾ but Undelivered (sq.m.)
107	Suqian Wanda West Project (Suqian Metropolis Light) (宿遷萬達西項目(宿遷都會之光))	Residential	50	479,120	458,032	–	21,088	–	266,982
108	Wuxi - World City (無錫·世界城)	Residential/Commercial	100	704,061	27,490	676,571	–	564,867	5,750
109	Wuxi Jinke Center (無錫·金科中心項目)	Residential/Commercial	100	360,009	100,711	259,298	–	242,033	59,054
110	Taixing Gensi Road 101 Mu (泰興根思路101畝項目)	Residential	99	191,573	191,573	–	–	–	73,822
111	Suzhou Four Seasons Chunxiao (蘇州四季春曉)	Residential	33	177,735	177,735	–	–	–	130,032
112	Suzhou Jinke Renheng Shallow Tangping River (蘇州金科仁恒淺棠平江)	Residential	70	213,386	158,294	55,092	–	32,274	106,711
113	Nanjing Baohua Mountain Project (南京寶華山項目)	Residential	99	348,589	181,775	74,990	91,823	43,613	59,086
114	Lihu No.1 (蠡湖一號)	Residential	100	376,583	120,221	255,829	533	154,339	102,203
115	Nanjing G89 Fangshan Project - Full Term (南京G89方山項目-全期)	Residential	53	203,035	203,035	–	–	–	34,534
116	Xuzhou Gulou Xuyun New Hedong Project (Xuzhou Jinke Bocui Mansion) (徐州鼓樓徐運新河東項目(徐州金科博翠府))	Residential	100	51,250	51,250	–	–	–	20,576
117	Nanjing Lishui Zhuangyuanfang Primary School North 101 Mu (Land Lishui 2020G17) (南京市溧水區狀元坊小學北101畝(NO.溧水2020G17)地)	Residential	34	197,671	197,671	–	–	–	12,259
118	Yinxiang Pingjiang Garden (印象平江花園)	Residential	51	138,412	124,412	–	14,000	–	34,402
Projects Held for Future Development									
119	Yancheng Sheyang Qianhe Lake Project-One, Two and Three Lands(鹽城射陽千鶴湖項目一二三地塊)	Residential	99	566,926	–	–	566,926	–	–
120	Xuzhou Hanwang Town Project (徐州漢王小鎮項目)	Residential	90	652,870	–	–	652,870	–	–
121	Yixing Xinzhuang Street Yiguan Road North Side Wudu Road East Side Land (48 Mu) (宜興新莊街道宜官路北側五瀆路東側地塊(48畝))	Residential	100	77,295	–	–	77,295	–	–
Shandong Province									
Completed Projects									
122	Qingdao Jinke Sunshine Beauty Town Project (青島金科陽光美鎮項目)	Residential	70	353,604	–	353,604	–	254,030	30,764
123	Qingdao Jinke Luolan Mansion Project (青島金柯洛蘭公館項目)	Residential	100	45,155	–	45,155	–	30,722	989
124	Jinke Jimeiun (金科集美郡)	Residential	78	99,746	–	99,746	–	94,328	1,494
Projects Under Development									
125	Weifang - Jinke Smart Technology City (濰坊·金科智慧科技城)	Industrial	99	166,544	107,794	–	58,750	–	92,462
126	Linyi Intelligent Manufacturing Technology City (臨沂智慧製造科技城)	Industrial	90	230,883	51,928	92,832	86,123	–	141,817
127	Jinke - Liyue Oriental (金科·禮悅東方)	Residential	99	308,847	305,621	–	3,226	–	26,787
128	Jinke - Jimei Tianchen (金科·集美天宸)	Residential	99	169,936	169,936	–	–	–	27,738
129	Jining High-tech Zone 800 Mu of Industrial Land Project (Jining Jimei Liyue) (濟甯高新區800畝產業勾地項目(濟甯集美禮悅))	Residential	51	252,167	252,167	–	–	–	19,413
130	Jining High-tech Zone 800 Mu Chancheng Project 106 Mu Industry (濟甯市高新區800畝產城項目一期106畝工業)	Industrial	51	86,735	12,706	–	74,029	–	–
131	Yantai Bocui Mountain (煙臺博翠山)	Residential	51	121,743	121,743	–	–	–	56,487
132	Jinke Pinglan Mansion (金科平瀾府)	Residential	100	66,328	66,328	–	–	–	31,438
133	Zaozhuang Jinke Hengxin - Jimei Tianchen (棗莊金科恒信·集美天宸)	Residential	70	566,579	206,952	–	359,627	–	42,121
134	Rizhao Jinke - Jimei Jingzhi Project (日照金科·集美景致項目)	Residential	100	155,327	155,327	–	–	–	61,435
135	Weifang Qingzhou Plot 054 Project (濰坊青州054地塊項目)	Residential	70	106,572	75,065	–	31,506	–	90,373
136	Yantai Liangjiatuan Project (煙臺梁家疃項目)	Residential	51	80,525	75,525	–	5,000	–	7,082

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137	Rizhao Donggang Fuhai Road South 58 Mu Project (日照東港區福海路南58畝項目)	Residential	100	109,849	63,330	–	46,518	–	1,673
138	Zhangqiu Blue Sea Pilot Project (章丘藍海領航項目)	Residential	50	374,262	30,374	283,610	60,278	130,894	27,218
139	Tai'an Taohuayuan Project (泰安桃花源項目)	Residential	99	232,332	124,595	107,726	11	83,981	71,164
140	Liaocheng - Minsheng Jinke Jimei Yipin (聊城-民生金科集美壹品)	Residential	49	199,167	199,167	–	–	–	109,548
141	Jinke - Jimei Tianyue Project (金科·集美天悅項目)	Residential	70	234,679	234,679	–	–	–	59,675
142	Jinan Lanshan Mansion Project (濟南瀾山公館項目)	Residential	99	339,967	110,508	172,875	56,584	159,382	5,461
143	Jinan Jinke City Project (濟南金科城項目)	Residential/ Commercial	51	1,128,378	370,936	587,505	169,936	564,891	356,184
144	Hanyu Project Oriental Bocui (漢峪項目東方博翠)	Residential	100	164,609	154,609	–	10,000	–	53,221
145	Hanyu Project Plots A06, A08, A09 (漢峪項目A06、A08、A09地塊)	Residential	100	93,378	93,378	–	–	–	5,351
146	Mansi New Town - Jinke Jimei Tianchen (漫泗新城·金科集美天辰)	Residential	79	565,312	316,740	17,368	231,204	8,955	112,086
147	Jinke Jimei Jiayue Mansion (金科集美嘉悅府)	Residential	50	122,094	21,935	95,484	4,675	115,988	994
148	Jiayi International Project South Plot (嘉億國際項目南地塊)	Residential	50	288,581	288,581	–	–	–	170,910
Projects Held for Future Development									
149	Weifang City Industrial Project 27 Mu (濰坊市城區27畝工業項目)	Industrial	99	20,003	–	–	20,003	–	–
150	Qingdao Jimo City Road Project (青島即墨城馬路項目)	Residential	65	247,958	–	–	247,958	–	–
151	Liaocheng Tourist Resort Tender, Auction and Listing-for-sale Plot 94 Mu (Liaocheng-Hanlin Tianyue Project) (聊城市旅遊度假區94畝招拍掛地塊(聊城·翰林天悅項目))	Residential	51	209,530	–	–	209,530	–	–
152	Jinan Chengtong Textile Factory First and Second Linkage Project (濟南市誠通紡織廠一二級聯動項目)	Residential	61	270,217	–	–	270,217	–	–
Sichuan Province									
Completed Projects									
153	Central Park City (Neijiang Central Park City) (中央公園城(內江中央公園城))	Residential	80	477,281	–	477,281	–	426,345	2,394
154	Ya'an Jinke Project (雅安金科項目)	Residential	100	105,976	–	105,976	–	94,835	12
155	Ya'an 83 Mu Project (雅安83畝項目)	Residential	100	206,487	–	206,487	–	165,368	411
156	Wuhou Jinke Bocui Mansion (武侯金科博翠府)	Residential	100	99,940	–	99,940	–	57,572	2,651
157	Suining Jimei Tianchen (遂寧集美天宸)	Residential	96	104,678	–	104,678	–	51,151	2,796
158	Suining-Renli Water Town Project (Suining Meihu Bay Project) (遂寧·仁裡水鄉項目(遂寧美湖灣項目))	Residential	99	260,556	–	260,556	–	190,755	8,896
159	Qingbaijiang Bocui Tianchen (青白江博翠天宸)	Residential	99	414,452	–	414,452	–	282,737	25,550
160	Nanchong Jimei Tianchen (南充集美天宸)	Residential	100	120,694	–	120,694	–	90,338	215
161	Luzhou Jimei Tianchen (瀘州集美天宸)	Residential	98	165,404	–	165,404	–	119,796	1,630
162	Jinke Jimei Xuefu (Shuangliu Jimei Xuefu) (金科集美學府(雙流集美學府))	Residential	100	45,849	–	45,849	–	22,121	8,172
163	Jinke Bocuiling Lake (Shuangliu Bocuiling Lake) (金科博翠靛湖(雙流博翠靛湖))	Residential	50	84,904	–	84,904	–	64,127	–
164	Jinke-Meihu Bay (Phase III) (Suining Xiangshan) (金科·美湖灣(三期)(遂寧香山))	Residential	99	199,818	–	199,818	–	94,548	17,030
165	Jinke, Dongfang Yajun (金科·東方雅郡)	Residential	100	305,955	–	305,955	–	238,371	530
166	Dongxing District Park Palace (Neijiang Park Palace) (東興區公園王府(內江公園王府))	Residential	100	807,843	–	807,843	–	695,508	3,728
167	Chengdu Wenjiang Jinke Tianchen Project (成都溫江金科天宸項目)	Residential	97	325,772	–	325,772	–	267,224	309
168	Chengdu Langqiao Water Town (成都廊橋水鄉)	Residential	100	357,657	–	357,657	–	279,155	10,167

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<i>Projects Under Development</i>									
169	Yibin Nanxi 113 Mu (宜賓南溪113畝)	Residential	99	245,468	245,468	–	–	–	148,797
170	Yibin Jinke City Project (宜賓金科城項目)	Residential	60	621,759	376,266	–	245,493	–	27,776
171	Ya'an Jinke Jimei Xuefu Project (雅安金科集美學府項目)	Residential	99	62,011	62,011	–	–	–	36,690
172	Ya'an Jinke Jimei Scholar Mansion Project (雅安金科集美書香府項目)	Residential	99	227,450	84,942	–	142,508	–	26,314
173	Ya'an Jinke Jimei Jiangchen Project (雅安金科集美江宸項目)	Residential	99	44,309	44,309	–	–	–	31,061
174	Wenjiang Liulin Road 203 Mu (Chengdu Wenjiang Bocui Bay Project) (溫江柳林路203畝(成都溫江博翠灣項目))	Residential	100	160,680	119,166	–	41,513	–	30,522
175	Taizi Road Times Center (Neijiang Times Center) (太子路時代中心(內江時代中心))	Residential/ Commercial	71	452,765	2,294	450,471	–	288,813	58,519
176	Suining Shehong Jimei Jiayue Project (遂寧射洪集美嘉悅項目)	Residential	95	105,592	105,592	–	–	–	73,632
177	Suining Jimei Jiayue (遂寧集美嘉悅)	Residential	99	254,464	180,052	74,412	–	45,258	55,799
178	Suining 32 Mu (Suining Jimei Jiayue Phase IV Project) (遂寧32畝(遂寧集美嘉悅四期項目))	Residential	99	51,970	51,970	–	–	–	6,883
179	Pidu Jimei Tianchen (郫都集美天宸)	Residential	99	93,295	93,295	–	–	–	22,285
180	Panzhihua Jinke - Jimei Sunshine (攀枝花金科·集美陽光)	Residential	99	418,094	105,064	130,223	182,806	113,523	48,215
181	Neijiang Economic Development Zone 186 Mu (Neijiang Jimei Star) (內江經開區186畝項目(內江集美星辰))	Residential	98	386,706	180,942	–	205,764	–	82,866
182	Neijiang Jinke Emerald Park (內江金科翡翠公園)	Residential	100	305,768	233,329	–	72,439	–	98,931
183	Neijiang Jimei Tianchen Project (內江集美天宸項目)	Residential	98	439,832	89,611	199,254	150,967	82,174	41,143
184	Nanchong Yilong Jimei Tianyue Project (南充儀隴集美天悅項目)	Residential	98	192,062	192,062	–	–	–	80,765
185	Nanchong Jialing Jimei Jiayue Project (南充嘉陵區集美嘉悅項目)	Residential	99	227,725	107,730	–	119,995	–	44,588
186	Luzhou Jimei Tianyue (瀘州集美天悅)	Residential	98	125,425	125,425	–	–	–	60,776
187	Luzhou 209 Mu Project (瀘州209畝項目)	Residential	100	513,540	11,270	489,575	12,695	304,663	79,747
188	Jinke - Jimei Tianyue (金科·集美天悅)	Residential	99	304,811	240,204	64,163	444	57,965	110,395
189	Guanghan Project (廣漢項目)	Residential	99	430,455	84,122	177,405	168,928	115,441	19,796
190	Guang'an Linshui Wenxing 98 Mu Project (Linshui Jimei Tianchen Phase III) (廣安市鄰水縣文星村98畝項目(鄰水集美天宸三期))	Residential	51	261,587	261,587	–	–	–	60,064
191	Guang'an Linshui 94 Mu Project (Linshui Jimei Tianchen) (廣安鄰水94畝項目(鄰水集美天宸))	Residential	99	246,492	166,739	79,753	–	77,951	94,712
192	Dazhou Mafangba 150 Mu Project (Dazhou Jimei Tianchen) (達州馬房壩150畝項目(達州集美天宸))	Residential	100	270,019	270,019	–	–	–	82,811
193	Chengdu Longquanyi Dongshan 157 Mu (Longquanyi Bocui Mountain) (成都市龍泉驛區東山157畝(龍泉驛博翠山))	Residential	51	223,806	147,302	–	76,504	–	41,184
194	Chengdu Longquanyi Dongshan 147 Mu (Longquanyi Yimei Yuan) (成都市龍泉驛區東山147畝(龍泉驛美院))	Residential	60	281,305	281,305	–	–	–	48,105
195	Deyang Jingyang 101 Mu (德陽市旌陽區101畝)	Residential	99	260,602	131,909	–	128,694	–	36,118
196	Guang'an Wusheng Plot 98 Mu Tender, Auction and Listing-for-sale Project (Guangan Wusheng Jinke Tianchen) (廣安武勝98畝地塊招拍掛項目(廣安武勝金科天宸))	Residential	100	129,962	84,147	–	45,815	–	14,966
197	Dazhou Quxian Jinke Jimei Oriental (達州渠縣金科集美東方)	Residential	100	210,759	79,459	–	131,300	–	14,223
198	Jinke - Jimei Jiangshan (金科·集美江山)	Residential	100	404,673	207,053	–	197,620	–	8,232
199	Suining Shehong 28 Mu Project (遂寧射洪28畝項目)	Residential	95	45,441	45,441	–	–	–	3,341
200	Chengdu Wenjiang Jimei Xingchen Project (成都溫江集美星宸項目)	Residential	100	189,364	121,733	–	67,632	–	33,406
201	Lezhi Jimei Oriental (樂至集美東方)	Residential	83	217,204	217,204	–	–	–	112,993

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202	Dazhou Tongchuan Fuxing Town 131 Mu Project (Dazhou Jimei Jiayue) (達州市通川區復興鎮131畝項目(達州集美嘉悅))	Residential	60	349,053	349,053	–	–	–	45,175
	<i>Projects Held for Future Development</i>								
203	Mianyang Youxian Xiaojian 16 Mu Land (綿陽市遊仙區小觀16畝地塊)	Residential	60	306,630	–	–	306,630	–	–
	Hunan Province								
	<i>Completed Projects</i>								
204	Hunan Jinke Center Project (湖南金科中心項目)	Residential	100	506,514	–	506,514	–	424,766	11,063
205	Chenzhou Xiaobu (郴州小埠)	Residential	60	50,361	–	50,361	–	47,830	1,595
206	Chenzhou Jinke City (郴州金科城)	Residential	100	488,877	–	488,877	–	410,260	56,643
207	Hunan World City Project (湖南世界城項目)	Residential	80	361,162	–	361,162	–	284,824	22,699
	<i>Projects Under Development</i>								
208	Zhuzhou Jinke Jimei Yajun (株州金科集美雅郡)	Residential/ Commercial	98	159,839	127,143	32,696	–	27,695	60,052
209	Yueyang Miluo Jinke Yulinhu Mountain Project (嶽陽汨羅市金科禦臨湖山項目)	Residential	99	455,735	124,457	–	331,278	–	38,683
210	Yueyang Jimei Oriental Project (嶽陽集美東方項目)	Residential	18	191,748	191,748	–	–	–	100,497
211	Yongzhou Jinke Taoli County (永州金科桃李郡)	Residential	99	280,635	280,635	–	–	–	112,199
212	Yiyang Jinke Jimei Oriental Project (益陽市金科集美東方項目)	Residential	100	293,601	206,549	–	87,052	–	91,070
213	Ningxiang Jinke Meiyuan (甯鄉金科美苑)	Residential	99	349,462	236,897	–	112,565	–	97,281
214	Chenzhou Beihu Hanxi Road 128 Mu Project (Chenzhou Jinke Jun) (郴州市北湖區寒溪路128畝項目(郴州金科郡))	Residential	60	245,162	217,475	–	27,688	–	110,749
215	Jinke-- Jimei Jun (Changde Hanshou 87 Mu) (金科·集美郡(常德漢壽87畝))	Residential	98	176,431	176,431	–	–	–	118,989
	<i>Projects Held for Future Development</i>								
216	Yueyang Meidi Jinke Jun No.15 Land (嶽陽美的金科郡15號地)	Residential	50	253,650	–	–	253,650	–	–
217	Changde Wuling Qingnian Road 42 Mu Land (常德市武陵區青年路42畝地塊)	Residential	100	84,082	–	–	84,082	–	–
	Anhui Province								
	<i>Completed Projects</i>								
218	Jinyue Garden (金樾花園)	Residential	100	59,245	–	59,245	–	39,834	4,259
219	Haiyue Oriental Garden (海悅東方花園)	Residential	100	203,187	–	203,187	–	125,826	12,128
	<i>Projects Under Development</i>								
220	Yifang City (Fuyang Jinke Jiangshan City) (一方城(阜陽金科江山城))	Residential	50	505,334	242,119	–	263,215	–	50,273
221	Yaohai Plot E1904 Project (Four Seasons Chunxiao Garden) (瑤海E1904地塊項目(四季春曉花園))	Residential	49	105,368	105,368	–	–	–	45,377
222	Tianchen Garden (天宸花園)	Residential	100	323,095	183,844	139,251	–	106,984	122,955
223	Jinmei Garden (金美花園)	Residential	99	102,051	102,051	–	–	–	11,755
224	Jimei Sunshine Community (集美陽光社區)	Residential	98	133,256	133,256	–	–	–	39,532
225	Metropolis Residence (都薈公館)	Residential	54	282,247	214,758	60,135	7,354	41,386	26,191
226	Peninsula 1 (半島1號)	Residential	99	774,883	20,476	753,466	941	583,043	17,918
227	Fuyang Yingshang Old Town Jiaotong Road South 274 Mu Tender, Auction and Listing-for-sale Project (Fuyang Jinke Yunhu Chunxiao) (阜陽市穎上縣老城區交通路南側274畝招拍掛項目(阜陽金科雲湖春曉))	Residential	50	209,082	103,799	–	105,283	–	33,292
228	Fuyang Linquan - Plot 120 (Fuyang Jimei Yunjing) (阜陽臨泉-120地塊(阜陽集美雲璟))	Residential	99	149,185	149,185	–	0	–	25,560

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229	Bozhou Jinke Mansion (亳州金科府)	Residential	100	257,563	87,959	–	169,605	–	20,518
Yunnan Province									
Completed Projects									
230	Jinke Langqiao Shui'an (金科廊橋水岸)	Residential	100	233,621	–	233,621	–	209,943	12,449
Projects Under Development									
231	Pu'er - Jinke Biguiyuan Longyue Mansion (普洱·金科碧桂園瓏樾府)	Residential	49	159,811	159,811	–	–	–	68,704
232	Jinke - Yuhe Mansion (金科·玉合公館)	Residential	100	43,128	43,128	–	–	–	37,160
233	Jinke - Taoli Jun (金科·桃李郡)	Residential	96	113,312	113,312	–	–	–	82,952
234	Jinke - Jimei Yuxi-Xingtai (金科·集美玉溪·星台)	Residential	100	115,769	115,769	–	–	–	81,974
235	Jinke - Jimei Yuxi-Tianchen (金科·集美玉溪·天宸)	Residential	100	210,373	183,106	–	27,267	–	84,585
236	Jinke - Jimei Yuxi (金科·集美玉溪)	Residential	100	255,475	255,475	–	–	–	213,369
237	Jinke - Jimei Tianyue (金科·集美天樾)	Residential	99	420,985	328,329	–	92,656	–	142,005
238	Jinke Zhongliang - Jimeixinghai (金科中樑·集美星海)	Residential	51	409,006	30,290	–	378,716	–	2,051
Shaanxi Province									
Completed Projects									
239	Tianlai City (Xi'an Tianlai City) (天籟城 (西安天籟城))	Residential	100	347,612	–	347,612	–	268,908	8,933
Projects Under Development									
240	World City (Xi'an World City) (世界城 (西安世界城))	Residential/ Commercial	51	782,814	173,445	609,369	–	527,220	114,035
241	Bocui Tianchen (Xi'an Bocui Tianchen) (博翠天宸 (西安博翠天宸))	Residential	99	475,982	475,982	–	–	–	304,032
242	Ankang Project 131 Mu (Ankang Jimei Jun) (安康項目131畝 (安康集美郡))	Residential	100	392,064	218,562	–	173,502	–	38,546
243	Xianyang 335 Mu Project (鹹陽335畝項目)	Residential	100	1,016,333	300,914	–	715,419	–	177,247
Shanxi Province									
Projects Under Development									
244	Jinke - Shanxi Smart Technology City (金科·山西智慧科技城)	Industrial	87	476,634	262,383	141,966	72,286	239,251	123,080
245	Jinke - Bocui Tianchen (Jinzhong) (金科·博翠天宸 (晉中))	Residential/ Commercial	87	765,009	663,462	–	101,547	–	276,091
Guangxi Province									
Completed Projects									
246	Nanning Jinke Guantianxia (南寧金科觀天下)	Residential	100	504,822	–	504,822	–	223,760	155,680
247	Liuzhou Jinke Xingchen (柳州金科星辰)	Residential	100	118,671	–	118,671	–	83,810	5,623
248	Liuzhou Jinke Tianchen (柳州金科天宸)	Residential	99	292,818	–	292,818	–	218,358	4,142
Projects Under Development									
249	Yulin Jimei Tianchen 63+24 Mu (玉林集美天宸63+24畝)	Residential	98	265,132	205,954	–	59,179	–	129,012
250	Nanning Jinke Tianlai City (南寧金科天籟城)	Residential	100	64,123	64,123	–	–	–	45,068
251	Nanning Bocui Tianchen (南寧博翠天宸)	Residential	98	102,591	102,591	–	–	–	42,946
252	Nanning Bocui Jiangshan 48 Mu (南寧博翠江山48畝)	Residential	59	126,211	126,211	–	–	–	–
253	Nanning Bocui Jiangshan 34 Mu (南寧博翠江山34畝)	Residential	59	89,325	89,325	–	–	–	26,866
254	Liuzhou Jinke Xiyue (柳州金科禧悅)	Residential	71	83,749	83,749	–	–	–	–
255	Jinke Yuandao Jimei Tianyue (金科遠道集美天悅)	Residential	71	181,391	131,162	50,136	93	46,163	52,017

No.	Projects	Type	Interest Attributable to us (%)	Total GFA ⁽¹⁾ (sq.m.)	GFA under Development ⁽²⁾ (sq.m.)	GFA Completed ⁽³⁾ (sq.m.)	GFA Held for Future Development ⁽⁴⁾ (sq.m.)	Total GFA Sold ⁽⁵⁾ and Delivered (sq.m.)	Total GFA Sold ⁽⁵⁾ but Undelivered (sq.m.)
256	Guilin Jinke - Zhuangyuan Mansion (Jimei Jiangshan) (桂林金科·狀元府(集美江山))	Residential	99	146,553	134,553	-	12,000	-	21,351
257	Guilin Jimei Oriental (桂林集美東方)	Residential	59	693,092	203,754	-	489,338	-	80,059
258	Guigang Boyuan Mansion (貴港博園府)	Residential	51	488,252	177,350	-	310,902	-	132,143
259	Guigang Pingnan Binjiang Road 26 Mu (Guigang Jinke - Boya) (貴港市平南縣濱江路26畝地塊(貴港金科·博雅))	Residential	97	68,021	68,021	-	-	-	60,412
260	Guigang Jinke - Jimei Jiangshang (貴港金科·集美江上)	Residential	99	199,393	199,393	-	-	-	20,817
261	Nanning Binyang Jinke Jimei Tianchen (南寧賓陽金科集美天宸)	Residential	100	225,120	111,863	-	113,257	-	31,442
262	Beiliu Jinke Jimei City (北流金科集美城)	Residential	60	219,715	121,413	-	98,302	-	12,534
263	Nanning Wuxiang New District 139.7 Mu (南寧五象新區139.7畝)	Residential	65	450,730	450,730	-	-	-	68,518
Henan Province									
Projects Under Development									
264	Zhengzhou Xingyang Yingze Avenue 63 Mu (Jinke - Jimei Mansion) (鄭州市榮陽市榮澤大道63畝(金科·集美公館))	Residential	99	157,553	157,553	-	-	-	61,405
265	Xuchang Yanling Jinke Huayuquan (許昌鄆陵金科花與泉)	Residential	49	157,439	22,946	-	134,493	-	2,092
266	Xuchang Luming Oriental Garden (許昌鹿鳴東方雅苑)	Residential	99	281,052	275,165	-	5,888	-	181,916
267	Xuchang Bocui Furong Lake Garden (許昌博翠芙蓉湖花園)	Residential	49	197,327	195,592	-	1,735	-	155,023
268	Shangqiu Tianhu Bay Project (Xincheng Mansion) (商丘天湖灣項目(新城公館))	Residential	99	97,691	97,691	-	-	-	76,448
269	Nanyang Demonstration Zone 76 Mu Project (Nanyang Bocui Oriental) (南陽示範區76畝項目(南陽博翠東方))	Residential	69	163,552	161,552	-	2,000	-	72,584
270	Nanyang Jimei Qingzhou (南陽集美晴洲)	Residential	98	195,481	195,481	-	-	-	155,532
271	Luoyang Jinke Green Capital Tianchen (洛陽金科綠都天宸)	Residential	50	356,409	356,409	-	-	-	295,399
272	Jiaozuo Macun 60 Mu Project (Jiaozuo Jimei Qingchuan) (焦作馬村區60畝項目(焦作集美晴川))	Residential	97	123,939	123,939	-	-	-	34,762
273	Nanyang Jinke Taoli Jun Project (南陽金科桃李郡項目)	Residential	99	165,260	57,912	-	107,348	-	78,644
274	Gongyi 23 Mu Plot (鞏義23畝地塊)	Residential	55	39,660	39,660	-	-	-	-
275	Xinxiang Tianyue 29 Mu (新鄉天樾29畝)	Residential	100	73,115	72,944	-	171	-	-
276	Jinke Xinglan Park (金科星瀾園)	Residential	100	473,514	250,041	-	233,473	-	259,382
Projects Held for Future Development									
277	Xinyang Wulidun Pianqhubei Area (信陽五裡墩片區湖北區域)	Residential	51	79,361	-	-	79,361	-	-
Guizhou Province									
Completed Projects									
278	Zunyi Jimei Tianchen (遵義集美天宸)	Residential	100	220,531	-	220,531	-	165,838	12,037
279	Guiyang Renhuai Luming Oriental Project (貴陽仁懷鹿鳴東方項目)	Residential	67	145,416	-	145,416	-	118,906	584
280	Guiyang Jimei Sunshine (貴陽集美陽光)	Residential	97	111,854	-	111,854	-	53,228	24,158
Projects Under Development									
281	Zunyi Wanlu Mansion (遵義萬麓府)	Residential	50	200,975	200,975	-	-	-	27,907
282	Zunyi Jinke Central Park City (遵義金科中央公園城)	Residential/ Commercial	100	893,356	-	891,223	2,133	672,177	73,201
283	Zunyi Jimei Hanlin Mansion (遵義集美翰林府)	Residential	98	184,086	119,477	64,606	3	55,371	71,240
284	Renhuai Liyue Oriental Plot B (仁懷禮悅東方B地塊)	Residential	79	271,867	125,937	-	145,930	-	114,523
285	Renhuai Liyue Oriental Plot A (仁懷禮悅東方A地塊)	Residential	79	281,390	181,101	-	100,290	-	146,850

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			Attributable to us (%)						
286	Jinke Zhongtai Tianjing Project (金科中泰天境項目)	Residential	36	457,020	223,494	–	233,526	–	58,779
287	Jinke Jimei Oriental (金科集美東方)	Residential	99	703,740	194,261	–	509,479	–	118,076
288	Jinke Huichuan City (金科匯川城)	Residential	99	183,101	183,101	–	–	–	54,278
289	Jinke Bailu Lake (Jinke Zhongliang Huafu) (金科白鷺湖(金科中梁華府))	Residential	98	202,045	98,837	84,061	19,147	41,121	53,501
290	Jinke - Dongfang Tianyue (金科·東方天悅)	Residential	55	710,668	460,235	–	250,433	–	88,004
291	Guiyang Jiuhua Linyun (貴陽九華鄰雲)	Residential	50	259,021	259,021	–	–	–	10,882
292	Bijie Jimei Oriental (畢節集美東方)	Residential	33	139,657	139,657	–	–	–	19,335
293	Jinke Lvtou Yangming Lake (金科旅投陽明湖)	Residential	47	246,769	119,591	–	127,178	–	35,112
Projects Held for Future Development									
294	Guiyang Huaxi Fengming Project (貴陽花溪鳳鳴項目)	Residential	100	941,589	–	–	941,589	–	–
295	Jinke Qingzhen Chaofeng 651 Mu Project (金科清鎮巢鳳651畝項目)	Residential	100	106,870	–	–	106,870	–	–
Zhejiang Province									
Completed Projects									
296	Jiashan Jinke Jimei Jiayue (嘉善金科集美嘉悅)	Residential	50	40,066	–	40,066	–	22,417	1,262
297	Jiashan Jinke Jimei Jiabe (嘉善金科集美嘉禾)	Residential	50	61,794	–	61,794	–	26,260	13,010
298	Bo Cuiyu (博翠府)	Residential	60	128,730	–	128,730	–	–	86,038
Projects Under Development									
299	Pinghu Jiayue Mingdu (平湖嘉悅名都)	Residential	99	63,370	63,370	–	–	–	22,117
300	Pinghu Haiyue Fenghua (平湖海樾風華)	Residential	47	101,190	101,190	–	–	–	45,974
301	Yaojiang Bay (耀江灣)	Residential	49	100,454	100,454	–	–	–	56,630
302	Jiuyue (玖樾裡)	Residential	99	111,428	111,428	–	–	–	83,652
303	Jimei Huating (集美華庭)	Residential	99	168,110	168,110	–	–	–	138,142
304	Hening Wenhua Mansion (和甯文華府)	Residential	51	260,838	260,838	–	–	–	179,101
305	Hangyue Mansion (杭越府)	Residential	49	382,541	382,541	–	–	–	273,139
306	Bocui Bilan Bay (博翠碧藍灣)	Residential	100	172,501	172,501	–	–	–	104,793
307	Jiaxing Tongxiang Project (嘉興桐鄉項目)	Residential	100	231,540	197,204	–	34,336	–	10,638
308	Wenzhou Longwan Yaoxi Project (Wenhuli) (溫州龍灣瑤溪項目(文耆裡))	Residential	59	64,779	64,779	–	–	–	31,045
Projects Held for Future Development									
309	Shaoxing Yuecheng Songling Culture Business and Tourism 298 Mu Project (紹興市越城區松陵路298畝文商旅項目)	Residential	51	366,326	–	–	366,326	–	–
Beijing									
Completed Projects									
310	Jinke Tianlai City (金科天籟城)	Residential	100	334,542	–	334,542	–	179,277	2,540
311	Jinke Langqiao Shui'an (金科廊橋水岸)	Residential	79	242,800	–	242,800	–	156,475	3,733
Tianjin									
Projects Under Development									
312	Tianjin Wuqing Guangming Road 180 Mu (Tianjin Jimei Yongyang) (天津武清光明道180畝(天津集美雍陽))	Residential	51	209,512	209,512	–	–	–	127,549
313	Tianjin Hujiayuan Project (天津胡家園項目)	Residential	49	251,550	216,869	–	34,682	–	182,622
314	Tianhu Project (天湖項目)	Residential	100	372,935	297,070	75,865	–	41,556	111,799
315	Quyang Mansion (渠陽府)	Residential	34	120,377	120,377	–	–	–	30,749
316	Jinke Jimei Tiancheng (金科集美天城)	Residential	98	141,328	136,135	3,192	2,000	–	21,093

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317	Jinke·Bocui Yuan (金科·博翠苑)	Residential	100	317,666	317,666	–	–	–	127,196
	Hebei Province								
	Completed Projects								
318	Jinke Jimeijun (金科·集美郡)	Residential	97	235,261	–	235,261	–	195,701	7,379
	Projects Under Development								
319	Shijiazhuang Jimei Jun (石家莊集美郡)	Residential	98	96,447	96,447	–	–	–	71,092
320	Handan Jinan New District 165 Mu (邯鄲冀南新區165畝)	Residential	48	283,876	252,121	–	31,755	–	117,154
	Projects Held for Future Development								
321	Jinke·Gu'an Smart Technology City (金科·固安智慧科技城)	Industrial	100	106,898	–	–	106,898	–	–
322	Jinke Jimei Shuxiang (金科集美書香)	Residential	100	149,384	–	–	149,384	–	–
323	Tangshan Lunan Laojiaoda Plots 84.17 and 25.34 Mu (唐山市路南區老交大84.17及25.34畝地塊)	Residential	34	136,346	–	–	136,346	–	–
	Hubei Province								
	Completed Projects								
324	Yichang Jinke Jimei Sunshine (宜昌金科集美陽光)	Residential	100	85,834	–	85,834	–	36,508	25,818
	Projects Under Development								
325	Xiaogan Xiaonan Beijing South Road Project (孝感市孝南區北京南路項目)	Residential	100	252,824	252,824	–	–	–	26,805
326	Xiangyang H Plot 35.7 Mu Project (襄陽H地塊35.7畝項目)	Residential/ Commercial	51	101,316	101,316	–	–	–	23,266
327	Zaoyang Jinke Jimei Tianchen Project (棗陽金科集美天辰項目)	Residential	100	104,748	80,210	–	24,538	–	29,372
328	Zaoyang Jinkeguan Tianyue Project (棗陽金科觀天樾項目)	Residential	99	61,871	61,871	–	–	–	24,119
329	Zaoyang Jinke Guantianxia Project (棗陽金科觀天下項目)	Residential	98	97,812	97,812	–	–	–	70,632
330	Wuhan Jinke City Project (武漢金科城項目)	Residential/ Commercial	60	874,796	489,806	384,990	–	155,828	536,372
331	Jingzhou Shabei Sports Center 101 Mu Project (Jingzhou Jimei Shuyuan Project) (荊州市沙北片區體育中心101畝項目(荊州集美書院項目))	Residential	100	237,072	120,072	–	117,000	–	46,094
332	Yichang Jinke·Yunxi Tai (宜昌金科·雲臺台)	Residential	100	317,848	159,499	–	158,349	–	8,560
333	Wuhan Jimei Shui'an Project (武漢市集美水岸項目)	Residential	50	228,171	124,246	–	103,925	–	–
	Projects Held for Future Development								
334	Wuhan Baishazhou Project (武漢白沙洲項目)	Residential	51	584,426	–	–	584,426	–	–
335	Jingzhou Jinke·Zhongliang Bocuijiangyue Project (荊州金科·中梁博翠江樾項目)	Residential	51	148,644	–	–	148,644	–	–
336	Wuhan Xinzhou 278 Mu (武漢市新洲區278畝)	Residential	100	554,130	–	–	554,130	–	–
	Guangdong Province								
	Completed Projects								
337	Foshan Bocui Tianxia Project (佛山博翠天下項目)	Residential	88	210,304	–	210,304	–	4,185	66,350
	Projects Under Development								
338	Shaoguan Wujiang Tangwan Project (韶關武江區塘灣項目)	Residential	100	194,709	98,002	–	96,707	–	11,442
339	Sanshui Lubao Project (三水蘆苞項目)	Residential	99	335,430	152,340	97,622	85,468	–	90,120
340	Maoming Huazhou Project (茂名化州項目)	Residential	96	108,156	108,156	–	0	–	24,447
341	Guangzhou Nansha Huangge Town Project (廣州南沙黃閣鎮項目)	Residential	100	158,593	86,647	70,544	1,402	–	74,566
342	Guangzhou Nansha Hengli Project (廣州南沙橫瀝項目)	Residential	99	114,560	114,560	–	0	–	74,795

No.	Projects	Type	Interest	Total GFA ⁽¹⁾	GFA under Development ⁽²⁾	GFA Completed ⁽³⁾	GFA Held for Future Development ⁽⁴⁾	Total GFA Sold ⁽⁵⁾ and Delivered	Total GFA Sold ⁽⁵⁾ but Undelivered
			Attributable to us (%)						
343	Foshan Gaominghe City Project (佛山高明荷城項目)	Residential	50	261,748	197,081	64,666	0	–	125,659
344	Shantou Jinping Jinfeng Peninsula Project (汕頭市金平區金鳳半島項目)	Residential	100	253,746	240,883	–	12,863	–	20,964
345	Tianchenwan Mansion (天辰灣公館)	Residential/ Commercial	98	138,471	23,598	114,766	107	–	103,750
346	Foshan Shunde Lunjiao Project (佛山順德倫教項目)	Residential	99	30,120	30,120	–	–	–	5,788
347	Foshan Shunde Xintan Project (佛山順德杏壇項目)	Residential	100	461,780	167,690	–	294,090	–	–
Projects Held for Future Development									
348	Guangzhou Huadu Yingbin Avenue 105.94 Mu Land (廣州市花都區迎賓大道105.94畝地塊)	Residential	100	270,604	–	–	270,604	–	–
Liaoning Province									
Projects Under Development									
349	Shenyang Jimei Shangjing (瀋陽集美尚景)	Residential	51	69,958	18,167	51,651	139	17,465	3,898
350	Shenyang Dadong Wanghua Chengzhongcun Plot 8 (Shenyang Jinke-Xinxiwang Jimei Dong) (瀋陽大東區望花城中村8地塊 (瀋陽金科·新希望集美東方))	Residential	60	145,807	145,807	–	–	–	22,329
351	Shenyang Jinke Jimei Tiancheng (瀋陽·金科集美天城)	Residential	100	325,928	150,014	175,914	–	83,417	136,888
352	Shenyang-Jinke Star City (瀋陽-金科星空之城)	Residential	99	810,635	169,636	57,027	583,972	23,352	24,156
Xinjiang									
Projects Under Development									
353	Weila Mansion Project (維拉莊園項目)	Residential	100	106,396	48,110	58,021	265	–	90,483
Jiangxi Province									
Completed Projects									
354	Ganzhou Jinke Jimei Mansion (贛州金科集美公館)	Residential	99	132,545	–	132,545	–	59,724	23,765
Projects Under Development									
355	Nanchang Jiulong Lake Project (Jinke Jimei Jiulong Lake) (南昌九龍湖項目 (金科集美九龍湖))	Residential	100	166,088	103,894	62,119	75	51,884	71,826
356	Nanchang Jingkai Project (Jinke Jimei Yuechen) (南昌經開項目 (金科集美悅宸))	Residential	100	259,282	259,282	–	–	–	23,708
357	Jiujiang Xiushui 51 Mu Project (九江修水51畝項目)	Residential	48	78,894	76,732	–	2,162	–	40,004
358	Jingdezhen 100 Mu (Jingdezhen Jinkehuadi-Ziyuan) (景德鎮100畝 (景德鎮金科華地·紫園))	Residential	50	201,020	201,020	–	–	–	65,946
359	Jinke Jimei Sunshine (金科集美陽光)	Residential	100	253,930	128,644	125,287	–	104,534	50,611
360	Jinke Expressway Jimei Tianchen (金科高速·集美天宸)	Residential	59	119,543	119,543	–	–	–	56,740
361	Jinke Bocui Tianxia (金科博翠天下)	Residential	65	211,556	102,127	18,373	91,056	12,680	12,371
362	Jiangxi Jiujiang Project (江西九江項目)	Residential	49	118,969	118,969	–	–	–	83,399
363	Fuzhou Jinke Shimao Jinling Mansion (撫州金科世茂錦凌府)	Residential	49	150,522	150,327	–	195	–	20,615
364	Ganzhou Ruijin Plot 93 Mu (Jinke Expressway Jimei Tianchen Yuxi) 贛州瑞金93畝地塊 (金科高速集美天宸禦璽)	Residential	59	191,230	191,230	–	–	–	6,017
365	Nanchang Xinjian Gongye No.3 Road Plot 69 Mu (Jinke Shimao Lvdu Guanlan Mansion-Langcuiyuan Nanyuan) (南昌市新建工業三路以西69畝地塊 (金科世茂綠都觀瀾府-朗翠園南苑))	Residential	34	138,755	138,755	–	–	–	19,500

Notes:

- (1) Total GFA is set out in the certificates of completion, pre-sale permits, construction works planning permits, construction land planning permits or government-approved design plans (based on the certificate, permit or document that has the most recent date).
- (2) GFA under development refers to the total GFA as shown in construction land planning permits, construction works planning permits or construction works commencement permits (based on the certificate or permit that has the most recent date) minus GFA completed.
- (3) GFA completed refers to the total GFA as set out in the certificates of completion.
- (4) GFA held for future development refers to the total planned GFA as set out in the certificates of completion, pre-sale permits, construction works planning permits, construction land planning permits or government-approved design plans (based on the certificate, permit or document that has the most recent date).
- (5) GFA sold refers to the total GFA sold or pre-sold as specified in the relevant sale and purchase agreements on an aggregate basis.

We categorize our properties into three types according to the stage of development:

- *Completed property developments*, comprising properties with land use rights certificates in respect of which construction has already been completed but have not been disposed of and are held for sale or lease;
- *Properties under development*, comprising properties with land use rights certificates in respect of which construction has commenced but is yet to be completed; and
- *Planned properties for future development*, comprising properties with or in the process of obtaining land use rights certificates, in respect of which construction has not commenced.

A property development is considered completed and ready for sale/investment when we have received the completed construction works certified report from the relevant government construction authorities. A property is considered ready for pre-sale when we have received pre-sale permit issued by the relevant government authorities. A property is considered to be under development immediately following the issuance of the construction engineering commencement permit with respect to the property and before issuance of the completed construction works certified report. A property is considered to be held for future development when we have received or are in the process of obtaining the relevant land use rights certificates but have not yet received the construction engineering commencement permit.

As some of our projects comprise multi-phase developments on a rolling basis, one project may include different phases which are at various stages of completion, under development or held for future development. Each property project or project phase may be subject to multiple land use rights certificates, construction permits, pre-sale permits and other permits and certificates which may be issued at different times throughout its developments.

A property is considered sold after we have executed the purchase contract with a customer and have delivered the property to the customer. A property is pre-sold when we have executed the purchase contract but have not yet delivered the property to the customer. Information regarding land costs in this offering memorandum is based solely on our internal records or estimates.

Our operating revenue from the sale of properties is considered confirmed when the following criteria are met, (i) the main body of the property has passed the examination of the relevant authorities; (ii) the sale contracts have been signed; and (iii) the first installment has been received and the payment arrangement of the remaining installments has been agreed.

The above classification of properties reflects the basis on which we operate our business and may differ from classifications employed for other purposes or by other developers.

We have included in this offering memorandum project or land names which we have used, or intend to use, to market our properties. Some of the names for property developments are subject to approval by relevant authorities and may be subject to change.

Site Area Calculation. The site area information in this offering memorandum is derived on the following basis:

- when we have received the land use rights certificates for a project, the site area information in respect of such project refers to the site area information in such land use rights certificates; and
- before we receive the land use rights certificates, the site area information in respect of such project refers to the site area information in the relevant land grant contract or the relevant government permits related to such project excluding, however, the areas earmarked for public infrastructure, such as roads and community recreation zones.

When completed properties and properties under development are subject to a single land use rights certificate, we calculate the site area attributable to such completed properties and such properties under development in proportion to their respective total GFA as a percentage of the aggregate total GFA under the land use rights certificate.

GFA Calculation. The GFA information in this offering memorandum is derived on the following basis:

- when the construction of a project is completed and we have received the certificate of completion, the total GFA information in respect of the project refers to the total GFA specified in such certificate of completion;
- if we have not yet obtained the certificate of completion, but have obtained the construction works planning permit for the project, the total GFA information in respect of the project refers to the total GFA specified in such construction works planning permit;
- if we have not yet obtained the construction works planning permit, but have obtained the construction land planning outline for the project, the total GFA information in respect of the project refers to the total GFA specified in such construction land planning outline;
- if we have not yet obtained the construction land planning outline, but have received the government-approved design plan for the project, the total GFA information in respect of the project refers to the total GFA specified in such government-approved design plan; and
- if we have not obtained any of the above documents for the project, the total GFA information in respect of the project refers to the total GFA calculated based on our current development plan for the project.

Total GFA stated in certificates of completion, pre-sale permits, construction works planning permits, construction land planning permit and government-approved design plans includes underground GFA. Underground GFA refers to basement and other underground spaces, generally used for parking and storage purposes.

The total GFA information in this offering memorandum includes both saleable and non-saleable GFA. Saleable GFA generally includes residential properties, saleable car parks, retail shops and office space (including internal floor area and shared areas in the building that are exclusively allocated to such properties). Non-saleable GFA generally includes communal facilities, such as schools, floor area for property management purposes as required by the government, project related supplemental facilities and our own properties such as hotels and non-saleable car parks.

GFA sold information refers to the GFA sold or pre-sold as specified in the relevant sale and purchase agreements on an aggregate basis. GFA sold information in this offering memorandum does not include GFA of parking spaces. Unless the pre-sale of a project has started, we have provided estimated pre-sale commencement time for such on-going project in this offering memorandum. Unless a project has already been completed, we have likewise provided estimated completion time for such ongoing project in this offering memorandum.

Selected Property Developments

Inspired by the underlying concept of creating homes with a “taste of the Orient”, we have launched three major series of property developments: Jinke Jimei (金科集美系), Jinke Bocui (金科博翠系) and Jinke Qionghua (金科瓊華系).

Jinke Jimei Series (金科集美系)

This series is committed to creating a safe community for families and providing children with a secure living environment and ample space for amusement, recreation and leisure. Projects include: Jinke Jimei City in Jiangjin district, Chongqing, a large-scale residential development outfitted with a commercial mall and a park; Jinke Jimei Tianchen in Zaozhuang, Shandong Province, which is adjacent to a major park and also within close proximity to the downtown business district; Jinhongji Spring Blossoms in Xiaoyaowan - Golden Education Park in the Dalian Free Trade Zone, which is situated among a beautiful natural landscape with the sea in front and mountains to its back; Four Seasons Spring Dawn in Hefei, Anhui Province, our first parent-child themed pilot project; Jimei Jiangshan in Guilin, Guangxi; Jimei Riverside in Fengjie district, Chongqing; and Jimei Wenyuan in Changshou City District, Chongqing.

Jinke Bocui Series (金科博翠系)

This series is designed specially to meet the new urban middle class’ demand for upgraded housing and as such, are developed based on four core specifications: city, location, resources and amenities. We have taken care to incorporate modern oriental aesthetics, high-end luxury life experiences and tastefully curated lifestyle options to produce property developments that are the embodiment of the cultural heritage of the East. Projects include: Jinke Nanshan in Chongqing, which is situated at the foot of Nanshan Mountain with Kingrun Nanshan International Golf Resort to its west; Natural Emerald Bay in Chengdu, Sichuan Province, which is located by the Yangliu River; Bocui

Blue Bay in Hangzhou, Zhejiang Province, which is connected to various main urban roads yet with several ecological parks in the vicinity; Bocui Pearl in Guangzhou, Guangdong Province, which is located in Pearl Bay, one of the areas with the greatest development potential in the Nansha district; Bocui College Town in Zhengzhou, Henan Province, which is situated within the Zhongshu Cluster in the Zhengzhou International Cultural and Creative Industry Park; and Bocui Tianchen in Heifei, Anhui Province.

Jinke Qionghua Series (金科瓊華系)

This series consists of villas and larger-sized single-floor homes designed to feature smart living intelligent solutions, premium craftsmanship and a “green” healthy lifestyle. Projects include Jinke Jiuqiu River in Chongqing, a luxury residential development that enjoys a riverside location and scenic panorama but with convenient access and transport connectivity; and Qionghua Jiuzhang in Jinan, Shandong Province, which comprises medium-height buildings with only one single apartment per floor for maximum space and privacy.

Some of our other representative projects include:

Jinan Jinke City

Jinan Jinke City is located in Jinan, Shandong Province. Jinan Jinke City is a large residential development surrounded by schools, hospitals, supermarkets and shopping malls with easy access to public transportation. The project occupies a total GFA of approximately 1,128,378 sq.m.

As of December 31, 2020, the project was under construction with GFA of approximately 370,936 sq.m., of which the aggregate GFA of 921,075 sq.m. was pre-sold. As of the same date, there were an aggregate of GFA of 587,505 sq.m. completed and 169,936 sq.m. held for future development. The development of Jinan Jinke City is undertaken by Jinan Jinke Xicheng Real Property Development Co., Ltd. (濟南金科西城房地產開發有限公司).

Jinke Tianyuandao

Jinke Tianyuandao (including Phase I and Phase II) is located in Chongqing. Jinke Tianyuandao is a middle-end residential development surrounded by schools, parks and shopping malls with easy access to public transportation. As of December 31, 2020, the project was completed. The project occupies a total GFA of approximately 1,090,924 sq.m. of which the aggregate GFA of 872,017 sq.m. was pre-sold. The development of Jinke Tianyuandao is undertaken by Chongqing Jinke Zhuchen Property Co., Ltd. (重慶金科竹宸置業有限公司).

Jinke Jiuquhe

Jinke Jiuquhe is located in Chongqing. Jinke Jiuquhe is a high-end residential development comprising service club, gym, customized dining and theater, and it is close to the Jiuquhe Wetland Park. As of December 31, 2020, the project was completed. The project occupies a total GFA of approximately 283,774 sq.m. of which the aggregate GFA of 246,515 sq.m. was pre-sold. The development of Jinke Jiuquhe is undertaken by Chongqing Jinke Jiachen Real Property Development Co., Ltd. (重慶金科嘉辰房地產開發有限公司).

Zhengzhou Xinlan Park

Zhengzhou Xinlan Park is located in Zhengzhou, Henan Province. Zhengzhou Xinlan Park is a large residential development surrounded by high-quality elementary schools and kindergartens with easy access to public transportation. The project occupies a total GFA of approximately 473,514 sq.m.

As of December 31, 2020, the project was under construction with GFA of approximately 250,041 sq.m., of which the aggregate GFA of 259,382 sq.m. was pre-sold. The development of Zhengzhou Xinlan Park is undertaken by Henan Guofengyuan Real Estate Co., Ltd. (河南國豐園置業有限公司).

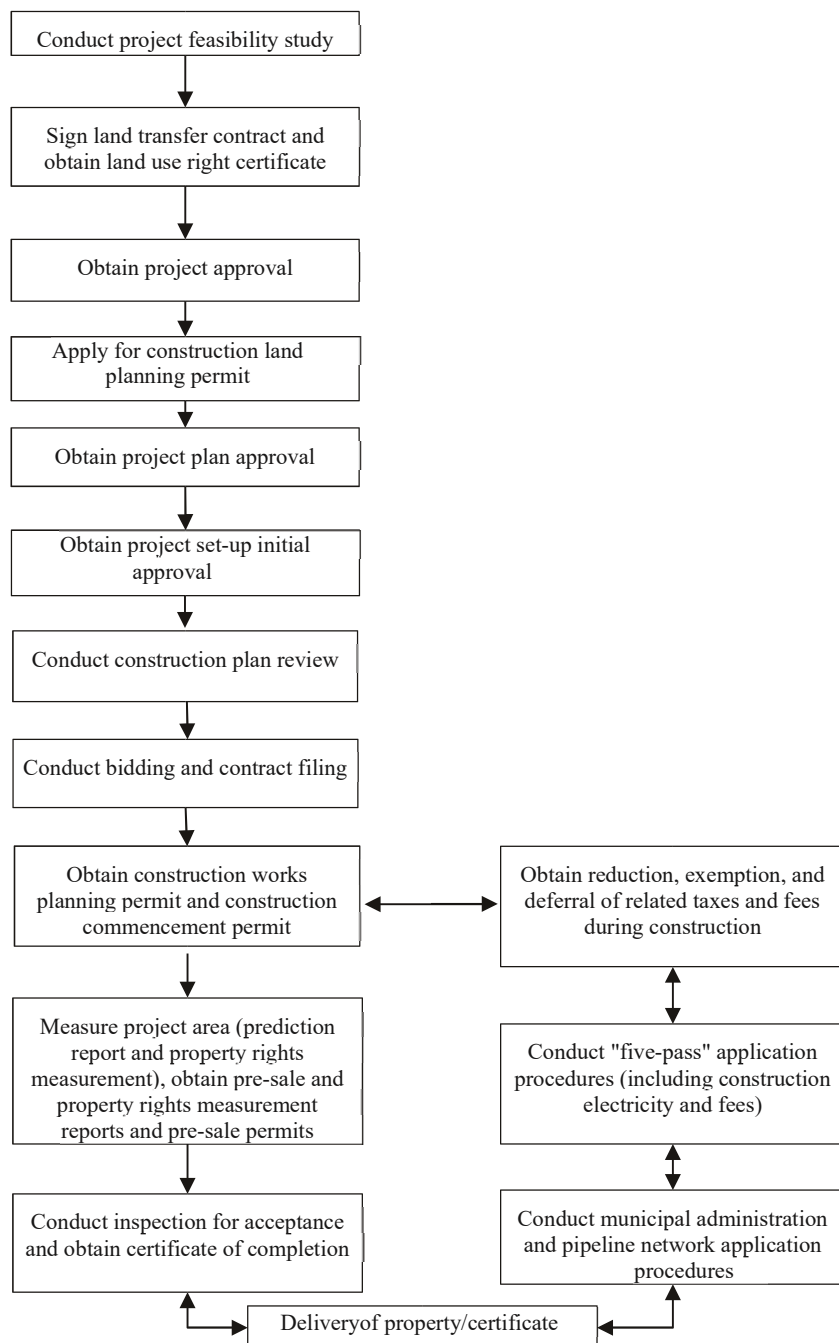
Jinan Qionghua Jiuzhang

Jinan Qionghua Jiuzhang is located in Jinan, Shandong Province. Jinan Qionghua Jiuzhang is located in Hanyu District, which is the base for key industries, high-tech industries and modern service industries in Jinan and a regional commercial finance and business center. The project occupies a total GFA of approximately 93,378 sq.m.

As of December 31, 2020, the project was under construction with GFA of approximately 93,378 sq.m., of which the aggregate GFA of 5,351 sq.m. was pre-sold. The development of Jinan Qionghua Jiuzhang is undertaken by Jinan Jinke Junyao Real Estate Development Co., Ltd. (濟南金科駿耀房地產開發有限公司).

Project Development

In developing a project, we follow a systematic planning and execution process while seeking to maintain a high degree of flexibility in order to respond promptly to new developments and trends in the fast-evolving business and regulatory environment of the PRC's property market. Although each project development is unique and is designed to cater to the preferences of specific target markets, the diagram below summarizes the major stages involved in developing properties for sale.



Site Selection

We believe site selection and market evaluation are two major determining factors in the success of our property developments. Built on our overall strategy of concentrating on "Three Zones and One Belt (三圈一带)" in the PRC, namely the Beijing-Tianjin-Hebei Economic Zone, the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Yangtze River Economic Belt, we maintain a fluid site selection mechanism whereby we not only conduct extensive research on key site indicators and relevant market indicators but keep track of recent developments and changes in factors considered so as to make timely adjustments to our assessment of potential sites.

Quantitative indicators that we consider include, among others, population, industrial structure, scale of economy, potential demand, consumption power, markets, volume and price trends and destocking risks, and qualitative indicators that we consider include, among others, geographical characteristics, external outline of the urban built-up area and characteristics relating to expansion of road networks, urban space layout, form and structure and urban functions.

Such assessment is done against the backdrop of our property development project plans, therefore we believe we have secured and are able to continue to secure land for our projects in the most suitable cities where we feel confident about market conditions and consumer appetite.

In addition, we recognize that the markets of different cities differ in terms of maturity and characteristics, so we tailor our land acquisition methods and strategies on a city-specific basis. Consequently, the types of sites we select in each city can differ. For cities with a fragmented landscape of small- and medium-sized players and with an imminent risk of industry consolidation, we will acquire the land through pursuing acquisition and merger opportunities; for cities with development needs relating to science and technology, corporate hospitality, health and wellness industries, we prefer to cooperate with other real estate partners and jointly acquire land through bidding, public auction or listing; for cities in the post-urbanization stage that are in need of revitalization and injection of new innovative elements, we look at urban and municipal renewal initiatives that present land opportunities. The pace at which we conduct our site selection process can also be affected by our determination of the timing of market penetration and land acquisition for a particular city, which is based on an analysis of the competitive landscape and certain key indicators, such as the ratio of property prices to land prices.

Prior to purchasing a parcel of land, we collect all relevant information regarding the potential acquisition opportunity and conduct preliminary feasibility studies and market research to evaluate the potential risk and return of the investment, potential demand for a property development on such site, preferences of the target customer groups and potential competition from other property developers in the vicinity. If necessary, we also retain external property consultants to conduct further market research and feasibility studies with respect to the chosen site. We proceed with the acquisition if we conclude from our evaluation procedures that a particular site has good development potential and an acceptable risk profile. All these pre-purchase measures help us acquire land prudently and develop our projects with a clear market positioning from the beginning. To date, our focus has primarily been on developments in selected cities in the regions that constituted the Yangtze River Delta Economic Zone, the Beijing-Tianjin-Hebei Economic Zone, the Guangdong-Hong Kong-Macau Greater Bay Area and the Yangtze River Economic Belt, although we may consider the future expansion of our operations into other designated economic areas in the PRC.

We generally consider the following factors, among others, when deciding whether to pursue a site at a particular time: prevailing macroeconomic conditions and governmental policies of the city in which the site is located;

- potential of the local property market in which the site is located;
- geographic location, project scale, accessibility to transportation, environment, supporting infrastructure and public facilities in relation to the site;
- supply and demand and other market conditions of surrounding markets;
- projected cash flow arrangement, costs, pricing and return on investment in respect of the project;
- site utilization plan, city planning, zoning, control planning and land regulations;
- the geological conditions and on-site construction conditions; and
- the completeness and validity of the site acquisition procedures; the existence of any ownership defect, involving land idling, mortgages and seizures, demolitions and resettlements.

In particular, for sites that we acquire and hold or develop in line with general market cycle, our evaluation is focused on, among others:

- trend indicators – provides us with a direct linear picture of the upward and downward trends at the time;
- inventory trends – urban commodity housing inventory data;

- pricing trends – changes in the year-on-year growth rate of the housing price indices, and to a lesser extent:

- market performance indicators – detailed performance data at various stages;
- transaction volume and scale – transacted GFA of urban commercial and residential housing;
- supply and demand performance – market supply and demand conditions;
- transaction prices – average transacted prices of commercial and residential housing; and
- others – commencement sell-through rates, transaction volume of resale housing.

For sites meant to meet short-term demand and supply requirements, we evaluate, among others:

- supply and demand – market positions of dominant players or market transaction volume; and
- housing price increases – year-on-year increases in average transacted price of resale housing

Land Acquisition

We acquire land interests primarily through the following means:

- acquiring from governments through public tenders, auctions and listing-for-sale;
- establishing joint ventures with companies which have acquired or are well-positioned to acquire interests in land; and
- acquiring equity interests in other companies engaged in property development.

Provisions on the Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation (招標拍賣掛牌出讓國有建設用地使用權規定) issued by MLR provide that, from September 28, 2007, state-owned construction land use rights for the purposes of commercial use, industry, tourism, entertainment and commodity residential property development in the PRC may be granted by the PRC government only through public tender, auction or listing-for-sale. When land use rights are granted by way of a tender, an evaluation committee consisting of no fewer than five members (including a representative of the grantor and other experts) evaluates and selects from the tenders that have been submitted. When deciding to whom to grant land use rights, the relevant authorities consider not only the tender prices, but also the credit history and qualifications of the tenderers and their tender proposal. Where land use rights are granted by way of an auction, a public auction is held by the relevant local land bureau and the land use rights are granted to the highest bidder. We believe these measures should result in a more transparent land grant process, which should enable developers to compete more effectively.

Under current regulations, original grantees of land use rights are typically allowed to sell, assign or transfer the land use rights granted to them in secondary markets, provided that: (i) the assignment price has been fully paid in accordance with the assignment contract and a land use rights certificate has been obtained; and (ii) development has been carried out according to the assignment contract and the related rules. If the land use rights are obtained by way of allocation, such land should be submitted to empowered people's government for approval. Upon the approval of a related people's government, such land is to be transferred through public tender, auction or listing-for-sale. Besides acquiring land through government-organized tenders, auctions or listings-for-sale, we can also obtain land use rights through transfers from third parties or through cooperative arrangements with third parties in secondary markets.

Under certain circumstances, our land acquisitions in secondary markets may take the form of cooperation with third parties who hold the relevant land use rights. With respect to such a cooperative arrangement, we typically enter into an equity joint venture with the relevant third party, who, despite having the land use rights, may not have sufficient capital resources to develop the subject land. For such a joint venture, we usually take up a majority stake and assume the role of managing the project development.

Project Financing

Historically, we have financed our operations by relying primarily on project loans and other financing facilities from PRC banks, asset management companies and trust funds as well as domestic bond issuances and

internally generated cash flows (including proceeds from pre-sales and sales of our properties). We intend to continue relying on some or all of these sources of funding in the future and may also obtain loans and other financing facilities from offshore banks as well as raise further capital by issuing debt securities.

Bank financing has been one of our major funding sources for property development projects. According to guidelines issued by CBIRC, construction loans may not be granted to projects without the relevant land use rights certificate, construction land planning permit, construction works planning permit and construction works commencement permit. Although financing methods vary from project to project, under relevant PRC regulations, not less than 35% of the total investment in a property development project must be from a property developer's internal funds in order for banks to be able to extend loans to such property developer. As such, we also use proceeds from pre-sales of our properties to fund part of our project construction costs and to repay existing bank loans obtained to finance projects. According to relevant PRC laws and regulations, we may pre-sell properties under construction if certain requirements are met, and proceeds from pre-sales must be used for the construction of such properties. Proceeds from pre-sales form the integral source of operating cash inflows in our project development activities.

Our ability to obtain financing for our projects is impacted to a great extent by applicable policies and measures that may be introduced by the PRC government. For example, the PRC government had from time to time in the past adopted certain restrictive measures to control the pace of development of the PRC property market, which may affect our ability to obtain bank financing. Among these measures were policy initiatives issued by the PRC government on May 24, 2006 to use taxation, bank credit and land policies to regulate housing demand. For example, from December 5, 2011 to March 1, 2016, PBOC has announced several decreases in the reserve ratio of commercial banks. The reserve ratio refers to the amount that banks must set aside when they engage in lending. Any decisions by PBOC to raise the reserve ratio will limit the amount available to commercial banks for lending and our ability to obtain financing from commercial banks may be adversely affected.

It is one of our strategies to optimize our capital and financing structure to secure sufficient financing for our future property development projects, which we aim to achieve through a combination of retained earnings and access to capital and debt markets. Also see "Risk Factors – Risks Relating to Our General Operations – Substantial indebtedness may restrict our business activities and increase our exposure to various operational risks."

Project Design

We have a design division, which is responsible for project research and planning, graphic review, design management and quality control, research and development of new materials and landscaping. Only when the final design proposal is confirmed and approved by our project design division do we then commence project construction. Planning and design of our projects typically involve (i) evaluating the characteristics of the site and determining the theme to be applied to the project; (ii) analyzing and determining the appropriate infrastructure required to materialize the project theme, including the type of property, ancillary facilities and landscape engineering; and (iii) determining the overall construction and interior design process, and the amount of construction materials and equipment required. In addition, our project design division is devoted to researching and developing new property products with leading and unique design concepts combined with innovative features and engineering capabilities. We may from time to time work with selected third-party architectural and interior design firms which can offer leading and unique design concepts combined with innovative features and engineering capabilities.

Pre-Construction Planning

Regulatory approvals

According to applicable PRC laws and regulations, once we acquire the relevant interests in land for the development of a project, we must then obtain various government approvals in order to commence planning and construction. In particular, we have to apply for and obtain the following permits before construction may commence:

- Construction land planning permit, which allows a developer to conduct the survey, planning and design of a land parcel;
- Construction works planning permit, which allows a developer to perform the overall planning and design of a project and to apply for a construction permit; and
- Construction permit, which is required for the commencement of construction.

Procurement

We have standardized procurement procedures for certain materials required in our business operations, primarily equipment and basic materials such as timber, cement, steel, stone, aluminum, elevators and electrical equipment. Centralized procurement is conducted for most of our commonly used materials. Our procurement department makes bulk purchases according to planned consumption requirements and maintains a sufficient inventory level. This is usually done for materials with prices that can be easily negotiated downward in the case of bulk purchasing. We also enter into long-term agreements for frequently used materials, typically those which we need assurance on quality consistency, with pre-selected suppliers, which ensures that our supply of such materials is secure and prices are subject to minimal adjustments. For other raw materials not in the foregoing categories, our procurement personnel usually initiate a tendering process whereby potential suppliers can submit their bids for our orders. In addition, our headquarters' procurement department is responsible for supervising the procurement of low-value consumables and local materials by our project companies. We believe that the multi-pronged procurement approach enables us to benefit from economies of scale and achieve greater cost savings.

Construction

We contract out our construction work to independent construction companies through a tender process. Our design and materials bidding division and our project companies typically collect information on reputable local contractors through public media and internal recommendations. When selecting contractors, factors which are taken into account include the reputation of the contractors, track records in similar projects, creditworthiness, technical capabilities, proposed construction blueprint, price, qualification grade, overall capabilities, financial position, and ability to leverage and access local construction resources. These construction companies carry out various types of work ranging from foundation groundwork, structural construction, decoration, roofing, water piping and drainage, heating, electricity, ventilation and air conditioning, to facilities engineering.

The construction contracts we enter into with construction companies are generally standardized in form and typically contain warranties with respect to quality and timely completion of the construction projects and 3% of the contract amount as the performance bond. We require construction companies to comply with PRC laws and regulations relating to the quality of construction as well as our own standards and specifications. The contractors are also required to comply with our quality control measures, such as appointment of on-site project representatives, including project manager, technical manager, production manager and construction manager to supervise the construction progress, oversee the quality and safety of the construction work, and inspect the construction materials before they are used in our property projects. Our construction contracts generally provide for progressive payments according to milestones reached. In the event of a delay in construction or unsatisfactory workmanship, we may require the construction companies to rectify the defects at their expense or pay to us compensation.

Pre-Sale

We typically conduct pre-sales of our properties prior to the completion of the full project or a project phase, subject to satisfaction of certain requirements set forth in laws and regulations governing pre-sale of properties. Under the Law of the Administration of Urban Property of the PRC (中華人民共和國城市房地產管理法) and the Administrative Measures Governing the Pre-sale of Urban Property (城市商品房預售管理辦法), as amended in 2007 and 2004, respectively, we must meet the following conditions prior to commencing any pre-sales of a property development:

- the land grant fee has been fully paid and the relevant land use right certificates have been obtained;
- the relevant permits required for the planning and construction of the property have been obtained;
- the funds contributed to the development of the project must reach 25% or above of the total amount to be invested in the project;
- the expected completion date and delivery date of the construction work have been ascertained; and
- the pre-sale permits must have been obtained from the relevant local government authorities.

Under PRC law, proceeds from pre-sales of our properties must be deposited in escrow accounts. Before the completion of such pre-sold properties, monies deposited in these escrow accounts may only be used to purchase construction materials and equipment, make interim construction payments and pay taxes, subject to prior approval from the relevant local authorities.

Quality Control

We place a strong emphasis on quality control to ensure that our properties and services comply with relevant rules and regulations relating to quality and safety and meet market standards. Our construction management department is responsible for quality control and construction supervision of all our projects. We typically contract with reputable design and construction companies and procure materials from highly regarded suppliers to ensure quality and also hire independent third-party quality control inspectors and construction management companies to supervise and control the quality and safety of our construction.

We have quality control procedures in place at our various functional divisions. We have established stringent internal control guidelines which apply to the quality of materials used in our property projects. Materials used in the construction process must comply with our specifications and requirements and go through prior sampling and testing. Before commencement of any major individual construction work, including the construction of floors, roof, installation of doors and windows, landscape engineering and street works, our construction contractors are required to build construction work models and submit them for our inspection and approval. Full-scale construction may only begin once the submitted samples have been examined and approved.

During construction, every work phase must undergo self-inspection, inter-process inspection and professional inspection from independent third parties. Our construction management team conduct daily on-site inspection of all of our construction projects. The construction companies are required to ensure that the construction work satisfies construction specifications and guidelines laid down by the relevant authorities before they are submitted for inspection and examination by our project management teams. We also engage external quality supervisory companies to conduct quality and safety control checks on construction and workmanship on our sites. We maintain strict and fully documented guidelines in respect of all procedures involved in the construction process and external contractors are required to adhere to the guidelines and report any exceptions.

Marketing

We usually determine our prices based on the competitive landscape and other relevant market factors, with the goal of achieving our profit targets while maintaining a balanced cash flow position. We also carry out market research at different stages of our development to ensure market trends and updates are captured in a timely manner. Using our understanding of our target customers, we perform a range of sales and marketing activities through various channels to maintain our relationships with existing customers and to reach potential purchasers. We advertise on various media including newspapers, magazines, the Internet, billboards and other outdoor media.

We highly value the capability as well as the energy and commitment of our sales force. As of December 31, 2020, our marketing and sales force comprised 3,234 employees. We largely rely on our sales capability and also engage third-party sales agents to sell properties for us. We conduct training sessions on market conditions, sales techniques, knowledge of the property market, among other topics, for our staff from time to time and also conduct specific training for each project prior to the commencement of its pre-sales. We, through our subsidiaries, offer performance-based remuneration packages for our sales force in order to create incentives for them to achieve our sales goals.

Delivery and After-Sale Services

We endeavor to deliver our products to our customers on a timely basis. Our sales and construction staff, together with property management personnel, closely monitor the progress of construction of our property projects and conduct pre-delivery property inspections in an effort to ensure timely delivery as well as inspect the properties thoroughly prior to delivery to ensure quality. The timetable for delivery is set forth in the purchase agreements entered into with customers. Once we have performed various inspections and obtained the certificate of completion, we will notify our purchasers concerning delivery. The purchase agreements generally contain liquidated damages clauses that set forth the amount of damages payable by the relevant group company or project company typically for each day of delay in delivery. See “Risk Factors – Risks Relating to Our Business – Risks Relating to Our Property Development Business – We may not be able to complete our property development projects on time or at all.”

The customer service center of each project company, assisted by our property management staff, is responsible for managing our after-sales services. We offer multiple communication channels to customers to provide feedback and complaints about our products or services, including a telephone hotline at our head office and complaints departments at our project companies. We also cooperate with property management companies that manage our properties to handle customer complaints. Furthermore, we generally assist the purchasers of our properties in obtaining their property ownership certificates through our customer service centers.

Payment Arrangements

Purchasers of our residential properties, including those purchasing pre-sale properties, may arrange for mortgage loans with banks. We typically require purchasers of our properties to pay a deposit upon signing of a preliminary sale and purchase agreement. If the purchasers later decide not to enter into a formal sale and purchase agreement, they forfeit such deposit.

Purchasers can choose to make a lump-sum payment or fund their purchases by mortgage loans. If purchasers choose to make a lump-sum payment, purchasers are typically required to pay upon executing purchase contracts. If purchasers choose to fund their purchases by mortgage loans provided by banks, under the Notice on Firmly Preventing Property Prices from Increasing too rapidly in Certain Cities (國務院關於堅決遏制部分城市房價過快上漲的通知) issued by the State Council, they may obtain mortgage loans of up to a maximum of 70% for first-time purchasers of units with a GFA of more than 90 sq.m. for own residential use or 50% for non-first-time purchasers of residential properties of the purchase price with a repayment period of up to 30 years. These purchasers are typically required to pay the remaining balance of that portion of the purchase price that is not covered by the mortgage loans prior to the disbursement of the mortgage loans by mortgagee banks. We typically receive the mortgage payments from mortgagee banks within approximately 20 days of the execution of the purchase contracts. The payment terms of sales and pre-sales of properties are substantially similar.

In accordance with industry practice, we provide guarantees to banks with respect to the mortgage loans offered to purchasers of our properties. These guarantees are released upon the earlier of (i) the relevant property ownership certificates being delivered to the purchasers and (ii) the settlement of mortgage loans between the mortgagee banks and purchasers of our projects. In line with industry practice, we do not conduct independent credit checks on purchasers of our properties, but rely on the credit checks conducted by the mortgagee banks. As of December 31, 2020, we had outstanding guarantees for mortgage loans over the mortgage loans of our purchasers in the amount of RMB38,700.2 million (US\$5,931.1 million). We have historically experienced a low rate of default on mortgage loans guaranteed by us and such defaults have not had a material adverse effect on our financial condition or results of operations. See “Risk Factors – Risks Relating to Our Businesses – Risks Relating to Our Property Development Business – We guarantee the mortgages provided to our purchasers and consequently are liable to the mortgagee banks if our purchasers default on their mortgage payments.”

Industrial and Cultural Tourism Real Estate

As part of our transition into a “quality living” provider, we have diversified our property portfolio into industrial and tourism real estate that not only enables us to offer an integrated array of experiences and services spanning culture, leisure, commerce, technology, healthcare and wellness.

We are committed to becoming China’s leading comprehensive operator for science and industrial parks. As of December 31, 2020, our park development projects had entered 22 cities in 13 provinces including Chongqing, Sichuan, Hunan, Shandong, Shanxi, Jiangsu and Hebei, with a total of 25 development projects under operation and management, covering an area of over 11.0 million sq.m. We successfully built a number of benchmark projects, such as Chongqing Liangjiang Health Science and Technology City, Shanxi Intelligent Technology City and Changsha Science and Technology New City. Our efforts have been acknowledged by the market and our industry peers, as seen from the various honors we had received for industrial park development, including, among others, “Top 20 Chinese Industrial Park Operators” (中國產業園區運營20強), “TOP 10 Brand Value of Chinese Industrial Park Operator” (中國產業園區運營商品牌價值TOP10) and “China Excellent Enterprise Service Provider in Industrial Park” (中國產業園區優秀企業服務商).

As of December 31, 2020, we had 162 cultural and commercial tourism projects, including successful and popular large-scale developments such as Chengdu Guosetianxiang International Tourism Resort, Suining Jinke Renli Water Town, Hunan Jinke Shanshuizhou, Chongqing Jinke China Health City and Sichuan Jinke Meihu Bay. We have planned three product series for our cultural tourism and wellness property developments: Jinke International Resort Areas (金科國際旅遊度假區), Jinke Future Species Parks (金科未來物種公園) and Jinke Yiyanghui (金科頤養匯), as well as one series for our commercial property developments: Jinke Cube (金科樂方).

Our Property Management Business

As part of our strategy to grow into an integrated provider of diversified real estate products and services, we engage in the provision of property management services, through our subsidiaries, Jinke Services (stock code: 9666.HK) and Jinke Industrial Investment Development Co., Ltd. (金科產業投資發展有限公司). Dedicated to becoming a “Quality Lifestyle Provider”, we go beyond traditional property management to offer a full range of

services ranging from home-living services, community management services, home decoration services, smart living technology solutions, education and travel services. As of December 31, 2020, we provide property management services to over 600 properties in 152 cities and regions across 25 provinces in the PRC, covering a contractual GFA scale of approximately 277.2 million sq.m. (including total GFA under management exceeding 150.0 million sq.m.). Our operating revenue generated from the provision of property management services amounted to RMB1,734.0 million, RMB2,309.8 million and RMB2,944.3 million (US\$451.2 million) for the years ended December 31, 2018, 2019 and 2020, respectively.

In terms of geographical coverage, we generally seek mid-to high-end projects located in cities of the PRC with high-growth economies in recent years and high per capita income, with an overarching concentration in our three major regions, namely Southwest China, Southeast China and Central China. We manage a diversified portfolio of properties under management, comprising residential properties and non-residential properties. Our non-residential management properties include (i) public and other properties, such as governmental facilities, educational institutions and hospitals, (ii) commercial properties and office buildings and (iii) industrial parks. While residential properties have generated and are expected to continue to generate a large portion of our property management revenue, we continuously seek to provide diversified service offerings to non-residential properties and to increase the proportion of such in our portfolio as part of our efforts to diversify our streams of income.

We believe that being able to offer more than the typical palette of property management services distinguishes us from our competitors, as our services commence as early as the pre-purchase stage and extends throughout the entire property development cycle, including delivery and after-sales services. We strive to deliver managed properties to customers in a timely manner and closely monitor the progress of construction as well as conduct pre-delivery property inspections to ensure timely delivery. A key feature of our property management services is the incorporation of a quality community concept, including surveillance and security, housekeeping and maintenance, operation of facilities, and gardening and landscape engineering. In 2016, we implemented our “community service 4.0” plan, which essentially contemplates the provision of smart lifestyle solutions to customers, such as intelligent parking, home automation and cloud “concierge”.

We generally derived all of our revenue from property management service agreements on a lump sum basis. Under the lump-sum fee model, we charge a fixed and “all-inclusive” fee for our property management services which we provide through our employees and sub-contractors, and our property management fees are charged on an annually, semi-annually, quarterly or monthly basis, depending on the terms of the relevant property management service agreements. We are entitled to retain the full amount of property management fees collected from property developers, public entities, property owners and residents as revenue and bear the costs incurred in providing our property management services. According to China Index Academy, the lump-sum fee model is the prevailing method of collecting property management fees in the PRC, especially in relation to residential properties.

Our Hotel Management Business

In the past, our hotels were independently operated by each of our hotel companies, which were our wholly owned subsidiaries or jointly owned by us. On May 23, 2016, we incorporated Jinke Jincheng Hotel Management Co., Ltd. (金科金辰酒店管理公司), our wholly-owned subsidiary, to operate all of our hotels through centralized management. Our operating revenue generated from the provision of hotel management services amounted to RMB266.7 million, RMB261.5 million and RMB223.0 million (US\$34.2 million) for the years ended December 31, 2018, 2019 and 2020, respectively. As of the date of this offering memorandum, we operate the following hotels:

- Chongqing Jinke Liangjiang Grand Hotel (重慶金科兩江大酒店), a five-star hotel opened in 2012 and located at Fuling District, Chongqing. We hold 100% interest in this hotel;
- Chongqing Kaizhou Jinke Grand Hotel (重慶開州金科大酒店), a five-star hotel opened in 2014 and located at Kaizhou District, Chongqing. We hold 100% interest in this hotel;
- Wuxi Jinke City Hotel (無錫金的城市酒店), a five-star hotel opened in 2016 and located at Chongang District, Wuxi. We hold 100% interest in this hotel;
- Suzhou Jinke Grand Hotel (蘇州金科大酒店), a five-star hotel opened in 2015 and located at Suzhou New District, Suzhou. We hold 100% interest in this hotel;
- Chengdu Jinke Jincheng Shengjia Hotel (成都金科金辰聖嘉酒店), a budget hotel opened in 2018 and located at Wuhou District, Chengdu. We hold 100% interest in this hotel; and

- Chongqing Jinke Tianyuandao Hotel (重慶金科天元道酒店), a five-star hotel opened in 2019 and located at Yubei District, Chongqing. We hold 100% interest in this hotel.

Wind Energy Investment and Development

Our wind energy business activities refer to our investment in and construction of renewable power projects, which generate electricity for sales. We conduct our new energy business through our wholly owned subsidiary, Jinke New Energy. In 2014, Jinke New Energy acquired 100% interest in Xinjiang Huaran Oriental New Energy Co., Ltd. (新疆華冉東方新能源公司), which is primarily engaged in the wind power generation business.

Currently, we own two wind farms in the PRC. Yandun No.6 Wind Farm Plant (煙墩第六風場), located in Hami City, Xinjiang, has been in operation since 2014 and generated electricity of 466.3 million gwh in 2020. We have also completed the construction of Jingxia 200MW Wind Farm (景峽20萬千瓦風場) in 2018, which is also located in Hami City, Xinjiang. As of December 31, 2020, Jingxia 200MW Wind Farm was successfully connected to the grid and commenced power generation. Operating revenue generated from our wind energy investment and development business amounted to RMB187.5 million, RMB414.5 million and RMB1,393.1 million (US\$213.5 million) for the years ended December 31, 2018, 2019 and 2020, respectively.

Other Ancillary Businesses

In addition to our three core business segments, we also engage in various ancillary businesses, such as property construction, property leasing, landscape engineering and materials sales. Our operating revenue generated from other ancillary businesses amounted to RMB3,477.6 million, RMB7,496.8 million and RMB11,646.6 million (US\$1,784.9 million) for the years ended December 31, 2018, 2019 and 2020, respectively. We believe that these ancillary businesses help to diversify our earnings mix and facilitate our growth into a more well-rounded and comprehensively integrated provider of not only real estate properties, but lifestyle solutions associated with quality living

Property Construction Services

We provide property construction services through our wholly owned subsidiaries, Chongqing Zhanhong Landscaping Co., Ltd. (重慶展弘園林有限公司) and Chongqing Kelsinki Landscaping Co., Ltd. (重慶凱爾辛基園林有限公司). Our service offerings include, among other things, landscape design and engineering, door and window construction, interior design and sales of building materials. Operating revenue generated from our landscape engineering business amounted to RMB140.7 million, RMB216.5 million and RMB206.9 million (US\$31.7 million) for the years ended December 31, 2018, 2019 and 2020, respectively.

Property Leasing

We lease out investment properties that we develop and derive recurring rental income. Operating revenue generated from our property leasing business amounted to RMB43.4 million, RMB21.4 million and RMB114.1 million (US\$17.5 million) for the years ended December 31, 2018, 2019 and 2020, respectively.

FINANCIAL MANAGEMENT

We practice stringent financial management to ensure that we remain financially sound. Our comprehensive and robust policies cover various aspects and are implemented across our businesses and operations:

- *Debt and leverage management.* We strive to optimize financial leverage and ensure that our three “redlines”, i.e. key ratios – namely net asset-liability ratio, asset-liability ratio (excluding advanced receipts) and short term liability ratio in cash, remain healthy. To achieve this, we benchmark ourselves against the leverage ratios of leading industry players.
- *Working capital management.* We focus on collections and operating cash inflows, and the consistent improvement of our fund management and allocation capabilities. We strive to improve our internal operational mechanisms, expedite execution, deploy complementary technologies and achieve greater cost savings and efficiencies. Another principal objective is to maintain our cash liquidity and ensure that our funds are always sufficient to fully cover maturing short term debt.

- *Investment management.* Through the comprehensive process that we established, we ensure that returns and risks of investments are matched, and the strength of our analytical capability and our investment mechanism is emphasized, so that we are able to maintain our keen market insight and stay strategically focused.
- *Dividends.* We primarily reinvest our profits back into our business operations to support our continued development and growth. As such, provided that our business development and financial management needs are met, we will give prudent consideration to dividend distributions.
- *Liquidity management.* To prudently manage liquidity, standardize phased cash flow analysis and improve our capital management, we have established detailed guidelines for the conduct of regular cash flow analysis. These guidelines cover various aspects, including vertical comparison of key cash flow data across our Company and our subsidiaries, review of forecasts and comparisons with actual results, comparison of actual results and forecasts for upcoming periods against our budget, and preparation of a summarized analysis of our cash flows for operating, investing and financing activities in a reporting period. Combining such guidelines with a mechanism that involves daily financial reports and regular financial analysis (monthly, quarterly, and semi-annual) of our cash flow data, we are able to achieve real-time monitoring of our capital position and overall development.
- *Overall strategic planning.* We have formulated and implemented medium and long-term financial financing strategies and plans that are aligned with our overall development strategies, and will strive for a balance between an appropriate scale of operations and optimal efficiencies.

COMPETITION

We believe that the property market in the PRC is highly fragmented and that there is no single dominant market player. Competition is primarily based on factors such as location, facilities and supporting infrastructure, services and pricing. Our existing and potential competitors include the top 20 enterprises in the real estate industry in the PRC or enterprises having similar geographic presence and targeting markets as us. Many of our competitors have greater financial resources, marketing capabilities and brand recognition than us. In addition, some local companies have extensive local knowledge and business relationships in the relevant local markets, while international companies are gaining increasing market shares in the PRC. Intensified competition between property developers may result in increased costs in order to acquire land, over-supply of properties and a slowdown in the approval process for new property developments by the relevant government authorities.

We also face competition for our real estate services businesses from other real estate service providers in China, especially in the Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Beijing-Tianjin-Hebei Region, Chongqing-Sichuan Region, Central Plains Region, Yangtze River Middle Reach, Shandong Peninsula and Beibu Gulf region. Competition in the real estate services business is rapidly evolving, highly fragmented and competitive, and our competitors and competitive factors differ depending on the type of services provided and the geographic market in which we provide such services. Compared to property development, real estate services businesses require a smaller commitment of capital resources and have a relatively lower barrier of entry. Our competitors may have more experience and resources than we have.

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights primarily consist of patents, trademarks and domain names that we use in our operations. We rely on a combination of trademarks and domain name registrations to establish and protect our brand name, logos, marketing designs and internet domain names. We use registered trademarks as the names and logos for business operations and development. These registered trademarks have been widely recognized by the public as being synonymous with our business. We also use registered domain names to promote our projects and enhance public awareness of our business.

We register trademarks under different business operations of our Group including but not limited to our property sale, commercial operation and property management, as well as a number of domain names. As of December 31, 2020, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties or (ii) by any third parties of any intellectual property rights owned by us.

INSURANCE

We maintain insurance coverage in amounts that we believe are consistent with our risk of loss and customary practice in the relevant industry. Consistent with the customary practice in the PRC, we do not carry any third-party

liability insurance to cover claims in respect of personal injury or property or environmental damage arising from accidents on our property or relating to our operations, nor do we carry any business interruption insurance or key-man life insurance on our key employees. Such insurance is not mandatory according to the laws and regulations of the PRC and would impose additional costs on our operations, which would reduce our ability to compete in the PRC.

We believe that we have sufficient insurance coverage in place and that the terms of our insurance policies are in line with industry practice in the PRC. However, there is a risk that we do not have sufficient insurance coverage for losses, damages and liabilities that may arise from our business operations. See “Risk Factors – Risks Relating to Our General Operations – Our insurance coverage may not adequately protect us against all operating risks” and “Risk Factors – Risks Relating to Our Business – Our property development business may suffer certain losses not covered by insurance.”

ENVIRONMENTAL MATTERS

We are subject to PRC environmental laws and regulations as well as environmental regulations promulgated by local governments governing air pollution, noise emissions, water and waste discharge and other environmental matters. As required by PRC laws and regulations, each project developed by a property developer is required to undergo an environmental impact assessment, and an environmental impact assessment report is required to be submitted to the relevant government authorities for approval before commencement of construction. When there is a material change in respect of the construction site, scale or nature of a given project, a new environmental impact assessment report must be submitted for approval. During the course of construction, the property developer must take measures to prevent air pollution, noise emissions and water and waste discharge. In addition, if we contract our construction works to independent third-party contractors, typically pursuant to the terms of the construction contracts, contractors and subcontractors are required to comply with the environmental impact assessment and the conditions of the subsequent approval granted by the relevant government authority. During construction, our project directors and project management teams will supervise the implementation of the environmental protection measures.

In addition, PRC environmental laws and regulations provide that if a construction project includes environmental facilities (including engineering projects, devices, monitors and other facilities that were constructed or equipped in order to prevent pollution and protect the environment), such facilities will have to pass an inspection by the environmental authorities and an approval must be obtained before the environmental facilities can commence operations. If a construction project does not include any environmental facilities, no such approval is required. Our business is of such a nature that we are not required to construct environmental facilities and, therefore no approval in respect of environmental facilities from the environmental authorities is necessary. We believe that our operations are in compliance with currently applicable national and local environmental and safety laws and regulations in all material respects.

As of December 31, 2020, we were not in breach of any applicable environmental laws in any material respect and regulations which have led to material penalties imposed on us by the environmental authorities and there are no existing material legal proceedings, arbitrations or administrative penalties against us.

HEALTH AND SAFETY

We regard occupational health and safety as one of our important corporate and social responsibilities. Some of our business operations involve significant risks and hazards that could result in damage or destruction of property, death and personal injury, business interruption and possible legal liabilities. Pursuant to the applicable PRC laws, we have implemented a variety of internal rules and operating procedures for work safety, accident handling and safety training. To help ensure construction quality and safety, we have a set of standards and guidance for the construction workers to follow during the construction process and they are also set forth in our construction contracts. In addition, the construction workers are required to be trained in respect of the construction quality and safety guidance before commencing the on-site construction work. Moreover, our project directors and project management teams check the construction sites daily. They also engage in safety inspections weekly and send construction units and supervision units to engage in comprehensive inspections to ensure the safety of the work environment of our construction sites.

We have not experienced any material safety accident for the years ended December 31, 2018, 2019 and 2020.

EMPLOYEES

As of December 31, 2020, we had approximately 22,910 full-time employees.

In the PRC, in accordance with the relevant national and local labor and social welfare laws and regulations, we are required to pay in respect of our employees in the PRC various social security funds including basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, childbirth insurance and housing fund.

We recruit our personnel from the open market. We offer competitive remuneration packages to our employees, including salaries and bonuses to qualified employees. We provide technical as well as operational training to all new employees and ongoing training for all employees through our “Jinke University (金科學)” , which consists of leadership, management and online programs. “Jinke University” not only serves as a training platform for our employees, but also as a communication platform to promote our enterprise culture.

Our employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. As of December 31, 2020, we did not experience significant labor disputes which adversely affected or are likely to have an adverse effect on our business operations.

LEGAL PROCEEDINGS

From time to time, we, together with our subsidiaries, have been involved in legal proceedings or other disputes in the ordinary course of our business, which are primarily disputes with our contractors and customers, and we have not incurred material legal costs and expenses in view of our overall operating results.

As of December 31, 2020, we were not aware of any material legal proceedings, claims, disputes, penalties or liabilities currently existing or pending against us that may have a material adverse impact on our business, financial condition or results of operations.

REGULATION

This section summarizes the principal PRC laws and regulations which are relevant to our business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to our business and operations.

REGULATION RELATING TO REAL ESTATE

Establishment of a Property Development Enterprise

According to the Law of the PRC on the Administration of Urban Property (《中華人民共和國城市房地產管理法》) (the “**Urban Property Law**”) promulgated by the Standing Committee of the National People’s Congress on July 5, 1994 and revised in August 2007, August 2009 and August 2019, a property development enterprise is defined as an enterprise which engages in the development and sale of property for the purpose of making profits. Under the Regulations on Administration of Development of Urban Property (《城市房地產開發經營管理條例》) (the “**Development Regulations**”) promulgated by the State Council on July 20, 1998 and revised in January 2011, March 2018, March 2019, March 2020 and December 2020, an enterprise which is to engage in development of property shall satisfy the following requirements: (1) its minimum registered capital shall be RMB 1 million; and (2) it shall employ at least four full-time professional property/construction technicians and at least two full-time accounting officers, each of whom shall hold relevant qualification certificates. The Development Regulations also stipulate that the local government of a province, autonomous region or municipality directly under the central government may, based on local circumstances, impose more stringent requirements on the amount of registered capital of, and the qualifications of professionals retained by, property development enterprises.

Pursuant to the Development Regulations, a developer who aims to establish a property development enterprise should apply for registration with the Administration for Industry and Commerce. The property development enterprise must also report its establishment to the property development authority in the location of the registration authority, within 30 days upon the receipt of its Business License.

On May 25, 2009, the State Council issued the Notice on Adjusting the Minimum Capital Requirement for Fixed Assets Investment (《關於調整固定資產投資項目資本金比例的通知》) and lowered the minimum capital requirement for projects of affordable residential housing and regular commodity residential houses from 35% to 20% and, for other property projects, to 30%. However, on September 9, 2015, the State Council promulgated the Notice on Adjusting and Perfecting the Minimum Capital System for Fixed Assets Investment (《國務院關於調整和完善固定資產投資項目資本金製度的通知》), kept the minimum capital requirement for projects of affordable residential housing and regular commodity residential housing the same as 20% and, for other property projects, lowered from 30% to 25%.

Qualifications of a Property Development Enterprise

Classifications for the qualifications of property development enterprises

Under the Development Regulations, a property development enterprise must report its establishment to the governing property development authorities in the location of the registration authority within 30 days of receiving its Business License. The property development authorities shall examine applications for classification of a property development enterprise’s qualification by considering its assets, professional personnel and industrial achievements. A property development enterprise shall only engage in property development projects that come within the scope of its approved qualification.

Under the Provisions on the Administration of Qualifications of Property Developers (《房地產開發企業資質管理規定》) (the “**Provisions on Administration of Qualifications**”) promulgated by the MOC and implemented on March 29, 2000 and amended in May 2015 and December 2018, a property development enterprise shall apply for registration of its qualifications. An enterprise may not engage in the development and sale of property without a qualification classification certificate for property development.

In accordance with the Provisions on Administration of Qualifications, qualifications of a property development enterprise are classified into four classes: class 1, class 2, class 3 and class 4. Different classes of qualification shall be examined and approved by corresponding authorities. The class 1 qualifications shall be subject to both preliminary examination by the construction authority under the government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State Council. Procedures for approval of developers of class 2 or lower shall be formulated by

the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority. For a newly established property development enterprise, after it reports its establishment to the property development authority, the latter shall issue a Provisional Qualification Certificate to the eligible developer within 30 days. The Provisional Qualification Certificate shall be effective for one year from its issuance and, depending on the actual business situation of the enterprise, may be extended by the property development authority for a period of no longer than two years. A property development enterprise shall apply with the property development authority for qualification classification within one month of expiry of the Provisional Qualification Certificate.

The business scope of a property development enterprise

Under the Provisions on Administration of Qualifications, a developer of any qualification classification may only engage in the development and sale of the property within its approved scope of business and may not engage in business which falls outside the approved scope of its qualification classification. A class 1 property development enterprise may undertake a property development projects throughout the country without any limit on the scale of the project. A property development enterprise of class 2 or lower may undertake a project with a GFA of less than 250,000 sq.m. and the specific scopes of business shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality.

The annual inspection of a property development enterprise's qualification

Pursuant to the Provisions on Administration of Qualifications, the qualification of a property development enterprise shall be inspected annually. The construction authority under the State Council or its authorized institution is responsible for the annual inspection of a class 1 property development enterprise's qualification. Procedures for annual qualification inspection for developers with class 2 or lower qualifications shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality.

Development of a Property Project

Land for property development

On April 12, 1988, NPC amended the Constitution, permitting the legal transfer of land use right. On December 29, 1988, the Standing Committee of NPC amended the Land Administration Law of the PRC (《中華人民共和國土地管理法》), permitting the legal transfer of land use right.

Under the Provisional Regulations of the PRC on the Grant and Transfer of the Land-Use Rights of State-owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) (the “**Provisional Regulations on Grant and Transfer**”) promulgated by the State Council on May 19, 1990 and revised in November 2020, a system of assignment and transfer of the right to use State-owned land is adopted. A land user shall pay an assignment price to the State as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the Provisional Regulations on the Grant and Transfer and the Urban Property Law, the land administration authority under the local government of the relevant city or county shall enter into a land grant contract with the land user to provide for the assignment of land use rights. The land user shall pay the assignment price as provided by the assignment contract. After full payment of the assignment price, the land user shall register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights. The Development Regulations provide that the land use right for a land parcel intended for property development shall be obtained through grant except for land use rights which may be obtained through appropriation pursuant to PRC laws or the stipulations of the State Council.

Under the Rules Regarding the Grant of State-Owned Land Use Rights by Way of Tender, Auction and Listing-for-sale (《招標拍賣掛牌出讓國有土地使用權規定》) promulgated by MLR on May 9, 2002, implemented on July 1, 2002, and as amended under the new name of the Rules Regarding the Grant of State-Owned Construction Land Use Rights by way of Tender, Auction and Listing-for-sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) which took effect from November 1, 2007, land for operational purposes such as industry (including warehouse land, but excluding mining land), business, tourism, entertainment and commodity residential housing and a land parcel with two or more potential users shall be granted by means of tender, public auction or listing-for-sale. A tender of land use rights means the relevant land administration authority (the “**assignor**”) issues a tender announcement inviting individuals, legal persons or other organizations (whether specified or otherwise) to participate in a tender for the land use rights of a particular parcel of land. The land user will be determined according

to the results of the tenders. An auction for land use rights is where the assignor issues an auction announcement, and the bidders can at specified time and location openly bid for a parcel of land. A listing-for-sale is where the assignor issues a listing-for-sale announcement specifying the land grant conditions and inviting bidders to list their payment applications at a specified land exchange within a specified period.

According to the MLR promulgated the Regulations on the Grant of State-owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》) promulgated by MLR on June 11, 2003 and becoming effective on August 1, 2003, if there is only one entity interested in using the land, the land use rights (excluding land use rights for business purposes including commercial, tourism, entertainment and residential commodity properties) may be assigned by way of agreement. If two or more entities are interested in the land use rights to be assigned, such land use rights shall be granted by means of tender, auction or listing-for-sale.

On September 28, 2007, MLR promulgated the Rules Regarding the Grant of State-Owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) which came into force on November 1, 2007. The rules stipulate the legal basis, principles, scope, procedures and legal liability arising from and in connection with the assignment of State-owned land use rights by competitive bidding, public auction or listing for sale. The rules clearly state that the grant of land for industrial use must also be by means of competitive bidding, public auction or listing for sale.

The Measures on the Administration of Reserved Land (《土地儲備管理辦法》), promulgated by MOF, PBOC and MLR on November 19, 2007 and amended on January 3, 2018, define “reserved land” and stipulate the administrative, regulatory and implementing procedures involved with the management, planning, allocation, use, development, capital expenditure and supply of reserved land. Moreover, the measures make it clear that land must be reserved in accordance with corresponding land programs or plans, and that in determining land bank priority must be given to land included in state inventories which is unused, unoccupied or underutilized.

In March 2010, MLR promulgated the Notification on Emphasizing Relevant Issues Relating to the Supply and Supervision of Land for Real Estate Development (《國土資源部關於加強房地產用地供應和監管有關問題的通知》) (the “**Notification**”) which adopted measures to improve the regulation of land for real estate development. These include measures to: improve the preparation and implementation of land supply plans; guarantee the supply of land for subsidized community housing developments; improve the regime of public tender, auction and listing-for-sale of land use rights; enhance the supervision on the use of land; disclose to the public information on the supply and assignment of land and the status of the construction project on the land; and conduct special inspections on outstanding problems related to land use.

Pursuant to the Notification, the administrative authorities for land and resources of cities and counties shall establish a regime for developers to report the commencement and completion of construction projects. Under such regime, the developer shall report in writing to the relevant administrative authority for land and resources at the commencement and completion of the construction project. The commencement and completion date of construction set forth in the agreements may be postponed by reporting the reasons for the delay to the respective administrative authority for land and resources no later than 15 days prior to such date. A developer who fails to report accordingly shall be announced to the public and prohibited from participating in any new land grant transactions for a minimum of one year. Additionally, land used for developing subsidized community housing and small to-medium-size self-use residential commodity housing, as well as for the redevelopment of run-down and substandard housing shall account for not less than 70% of the total land supply for residential property development. The lowest land premium for the assignment of land use rights shall not be lower than 70% of the benchmark price for land of the same grade in the same locality, and the deposit for the participation as a bidder for the land shall not be lower than 20% of the minimum land premium. The contract for the assignment of land shall be executed in writing within ten days after the deal is reached, the down payment of the land assignment price, which shall not be less than 50% of the full land assignment price, shall be paid within one month after the contract for the assignment of land is executed, and the land assignment price shall be paid in full no later than one year after the contract for the assignment of land is executed. A property development enterprise that defaults on the payment of the land premium, holds idle land, hoards or speculates in land, develops property on the land exceeding its actual development capacity or defaults on the performance of the contract for the assignment of land shall be banned from participating in any transactions for the assignment of land for a specified period.

On September 21, 2010, Ministry of Land and Resources and MOHURD jointly released the Circular on Further Strengthening Administration and Control over Land Utilization and Construction of Real Estate (《關於進一步加強房地產用地和建設管理調控的通知》) to tighten the examination of qualifications of land bidders. The circular specifies that when a bidder takes part in the bidding, auction or listing of the granted land, the competent

department of land and resources shall, in addition to requiring effective certificate of identity and payment of the tender (bid) deposit, require an undertaking letter stating that the tender (bid) deposit is not sourced from any bank loan, shareholders' borrowing, on-lending or fund-raising as well as a credit certificate issued by a commercial financial institution. Where a bidder is found to have violated the laws, regulations or contracts as follows, the competent department of land and resources shall forbid the bidder and his controlling shareholders from participating in land bidding activities: (1) having land idle for more than one year due to its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation. Besides, the grant of two or more bundled land parcels or uncleared lands is prohibited.

The National People's Congress adopted the PRC Civil Code (《中華人民共和國民法典》) on May 28, 2020, which became effective on January 1, 2021. According to the PRC Civil Code, when the term of the rights to use construction land for residential (but not other) property purposes expires, it will be renewed automatically. The PRC Civil Code further widens the scope of assets that can be mortgaged, allowing for any asset associated with property rights to be mortgaged as collateral unless a specific prohibition under another law or regulation applies.

Commencement of development with respect to a property project and idle land

Under the Urban Property Law, those who have obtained the land use rights by assignment must develop the land in accordance with the use and period of commencement as prescribed by the contract for the assignment of land. According to the Measures on Disposing Idle Land (《閒置土地處置辦法》) promulgated by MLR on April 28, 1999, and amended on June 1, 2012 with effect from July 1, 2012, a parcel of land can be defined as idle land under any of the following circumstances:

- the development of and construction on the land have not begun within a period of one year from the date stipulated in the land grant contract or in the "Approval Letter for Land Allocation;" or
- the development of and construction on the land have begun, but the area under construction is less than one third of the total area to be developed or the invested amount is less than 25% of the total amount of investment; and the development and construction have been continuously suspended for more than one year.

With respect to land which is obtained by assignment and which is within the scope of city planning, if the construction work has not commenced after one year as of the date stipulated in the assignment contract, a fine for idle land equivalent to 20% of the assignment price may be imposed on the land user. If the construction work has not commenced after two years, the right to use the land may be forfeited to the State without any compensation. However, the above sanctions will not apply when the delay in commencement of construction is caused by force majeure, non-performance by the government, military control, preservation of cultural relics or other acts of government. On September 8, 2007, MLR promulgated the Notice on Strengthening the Disposal of Idle Land (《國土資源部關於加大閒置土地處置力度的通知》) providing that the land subject to transfer shall be made ready for development before its transfer. The notice also prescribes that the State-owned land use rights certificate shall not be issued before the land grant premium has been paid in full, nor shall any certificate be issued separately according to the ratio of part-payment of the land grant premium.

On January 3, 2008, the State Council promulgated the Circular on Conservation of Intensive Land Use (《國務院關於促進節約集約用地的通知》) (Guo Fa (2008) No. 3), which seeks to:

- Examine and adjust all ranges of site planning and land use standards in line with the principle of economic and intensive land use. Project designs, construction and approval of construction shall all be subject to stringent land use standards.
- Urge all localities to enforce policies for the disposal of idle land. Where a piece of land has been idle for two full years and may be retrieved unconditionally as statutorily required, such land shall be retrieved and arrangements for its use shall be made; where a piece of land has been idle for one year but less than two years, an idle land charge valued at 20 percent of the land assignment premium shall be levied on the land user.
- Vigorously guide the use of unused and abandoned land and encourage the development and utilization of aboveground and underground space.

- Strictly implement the tender, auction and listing-for-sale regime for land intended for industrial and business purposes. Where the total land premium is not paid in full in compliance with contractual agreement, the land use certificate shall not be issued, nor shall it be issued in proportion to the ratio between the paid-up land premium and the total land premium.
- Make reasonable arrangements on residential land and persist on banning land supply for real estate development projects for villas. Strictly prohibit unauthorized conversion of agricultural land into construction land.
- Strengthen supervision and inspection of intensive land use conservation.
- Discourage financial institutions from granting loans and providing finance to property development enterprises whose real estate development project is less than one quarter invested, occupies an area less than one third and/or was commenced over one year after the project commencement date, in each case as stipulated in the contract for the assignment of land.

Planning of a property project

According to the Measures for Control and Administration of the Grant and Transfer of the Right to Use Urban State-owned Land (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the MOC on December 4, 1992, implemented on January 1, 1993 and amended on January 26, 2011, after signing the contract for the assignment of land use rights, a property development enterprise shall apply for a project survey and a construction land planning permit from the local urban zoning and planning bureau. After obtaining a construction land planning permit, a property development enterprise shall organize the necessary planning and design work in accordance with planning and design requirements and apply for a construction works planning permit from the city planning authority.

The Urban and Rural Planning Law (《中華人民共和國城鄉規劃法》), promulgated by the Standing Committee of the National People's Congress in October 2007 which became effective in January 2008 and amended on April 24, 2015 and April 23, 2019, provides regulations with respect to the formulation, implementation, modification, control, supervision and related legal liability of measures aimed at curbing problems that may arise as a result of conflicts between city and rural construction developments. The scope of the measures includes the planning, layout and construction of cities, towns with administrative status, market towns and villages. In order to effectively prevent construction that is in breach of rules and regulations, the Urban and Rural Planning Law stipulates that where any construction project is commenced without obtaining construction land planning permit, or where construction land planning permit has been obtained, but construction has proceeded not in accordance with that permit, the Urban and Rural Planning Department at the county level or above may issue an order to cease construction. In the case that the construction can be remedied to conform to the relevant planning rules, an order can be made to rectify the construction in a prescribed period of time and a fine totaling between 5% to 10% of the total construction cost may be imposed. Where the construction cannot conform to relevant planning rules, an order for its demolition will be issued or, where demolition is not possible, the property and/or illegal income derived from the property will be confiscated and a fine totaling 10% or less of the construction cost will be imposed.

In November 2009, MOHURD and the Office of the Leading Group for Addressing Problems Regarding Unauthorized Change of Planning and Adjustment of the Floor Ratio in Real Estate Development under the Ministry of Supervision jointly promulgated the Notification on Further Implementation of the Special Project to Address Problems Regarding Unauthorized Changes to the Planning and Adjustment of the Floor Area Ratio (《住房和城鄉建設部關於深入推進房地產開發領域違規變更規劃調整容積率問題專項治理的通知》) which re-emphasized the need to rectify, investigate and punish property development enterprises which undertake any unauthorized adjustment of the floor area ratio.

Construction of a property project

According to the Measures for Administration of Construction Permit for Construction Projects (《建築工程施工許可管理辦法》) promulgated by MOHURD on June 25, 2014, becoming effective from October 25, 2014 and revised on September 19, 2018, a developer engaging in the construction and decoration of various kinds of houses and buildings as well as the ancillary facilities shall apply for a construction permit from the competent construction administration authorities at county level or above where the construction is located before the commencement of the construction.

The Notice Regarding the Strengthening and Regulation of the Management of New Projects (《關於加強和規範新開工項目管理的通知》), promulgated by the General Office of the State Council on November 17, 2007,

strictly regulates the conditions for commencing investment projects, establishes a mechanism for the coordination of government departments regarding new projects, and strengthens the statistics and information management while intensifying the supervision and inspection of new projects.

According to the Notice on Further Enhancing the Building Permits Administration for Construction Projects (《關於進一步加強建築工程施工許可管理工作的通知》) issued by MOHURD on September 4, 2014 and revised on September 30, 2018, when applying for the construction permit, a construction entity shall provide the commitment letter for the implementation of construction funds and shall not provide false promises.

Completion of a property project

According to the Development Regulations and the Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated by State Council on January 30, 2000 and amended on April 23, 2019, the Interim Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收備案管理暫行辦法》) promulgated by the MOC in April 2000 and as amended and issued with the new name the Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收備案管理辦法》) on October 19, 2009, and the Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收規定》) promulgated by the MOC on December 2, 2013, after the completion of construction of a project, the property must undergo inspection and receive relevant approvals from local authorities including planning bureaus and environmental protection authorities. Thereafter, the property development enterprise shall apply for at the property development authority under the people's government at the county level or above for a certificate of completion. Once the examination has been completed, a Record of Acceptance Examination upon Project Completion (《項目竣工驗收報告》) will be issued.

Transfer and Sale of Property

Transfer of property

According to the Urban Property Law and the Provisions on Administration of Transfer of Urban Property (《城市房地產轉讓管理規定》) promulgated by the MOC on August 7, 1995 and amended on August 15, 2001, a property owner may sell, bequeath or otherwise legally transfer property to another person or legal entity. When transferring the title to a building, the ownership of the building and the land use rights to the site on which the building is situated are transferred simultaneously. The parties to a transfer shall enter into a property transfer contract in writing and register the transfer with the property administration authority having jurisdiction over the location of the property within 90 days of the execution of the transfer contract.

Where the land use rights were originally obtained by assignment, the real property may only be transferred on the condition that: a) the assignment price has been paid in full for the assignment of the land use rights as provided by the contract for the assignment of the land and a land use rights certificate has been obtained; b) development has been carried out according to the contract for the assignment of the land and, in the case of a project in which buildings are being developed, development representing more than 25% of the total investment has been completed.

If the land use rights were originally obtained by assignment, the term of the land use rights after transfer of the property shall be the remaining portion of the original term provided by the contract for the assignment of the land after deducting the time that has been used by the former land user(s). In the event the transferee intends to change the use of the land provided in the original contract for the assignment of the land, consent shall first be obtained from the original grantor and the planning administration authority under the local government of the relevant city or county and an agreement to amend the assignment contract or a new contract for the assignment of the land shall be signed in order to, amongst other matters, adjust the land use rights assignment price accordingly.

If the land use rights were originally obtained by allocation, transfer of the real property shall be subject to the approval of the government vested with the necessary approval power as required by the State Council. Upon such approval, the transferee shall complete the formalities for transfer of the land use rights, unless the relevant statutes require no transfer formalities, and pay the transfer price according to the relevant statutes.

Sale of commodity buildings

Under the Regulatory Measures on the Sale of Commodity Buildings (《商品房銷售管理辦法》) promulgated by the MOC on April 4, 2001 and implemented on June 1, 2001, sale of commodity buildings can include both pre-completion sales (pre-sale) and post-completion sales.

Permit for pre-sale of commodity buildings

According to the Development Regulations and the Measures for Administration of Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》) (the “**Pre-sale Measures**”) promulgated by the MOC on November 15, 1994 and amended on August 15, 2001 and July 20, 2004, the pre-sale of commodity buildings shall be subject to a licensing system, and a property development enterprise intending to sell a commodity building before its completion shall register with the property development authority of the relevant city or county to obtain a pre-sale permit. A commodity building may be sold before completion only if: a) the assignment price has been paid in full for the grant of the land use rights involved and a land use rights certificate has been obtained; b) a construction works planning permit and construction works commencement permit have been obtained; c) the funds invested in the development of the commodity buildings put to pre-sale represent 25% or more of the total investment in the project and the progress of works and the completion and delivery dates have been ascertained; and d) the pre-sale has been registered and a pre-sale permit has been obtained.

On April 13, 2010, MOHURD issued the Notice on Further Enhancing the Supervision of the Real Estate Market and Perfecting the Pre-sale System of Commodity Houses (《關於進一步加強房地產市場監管完善商品住房預售制度的有關問題的通知》) (the “**Notice**”). Pursuant to the Notice, without the pre-sale approval, the commodity properties are not permitted to be pre-sold and the real estate developers are not allowed to charge the buyer any deposit or pre-payment or payment of the similar nature. In addition, the Notice urges local governments to enact regulations on sale of completed commodity properties in light of the local conditions, and encourages property developers to engage in the practice of selling completed commodity properties.

Supervision of pre-sale income of commodity buildings

According to the Pre-sale Measures, the income of a property development enterprise from the presale of commodity buildings must be used for the construction of the relevant project. The specific measures for the supervision of the income from the pre-sale of commodity buildings shall be formulated by the relevant property administration authorities.

Conditions of the sale of post-completion commodity buildings

Under the Regulatory Measures on the Sale of Commodity Buildings (《商品房銷售管理辦法》) promulgated by Ministry of Construction on April 4, 2001 which became effective on June 1, 2001, commodity buildings may be put to post-completion sale only when the following preconditions have been satisfied: (a) the property development enterprise shall have a Business License and a qualification certificate of a property development enterprise; (b) the enterprise shall obtain a land use rights certificate or other approval documents for land use; (c) the enterprise shall have the construction works planning permit and construction works commencement permit; (d) the building shall have been completed, inspected and accepted as qualified; (e) the relocation of the original residents shall have been completed; (f) the provision of essential facilities for supplying water, electricity, heating, gas, communication, etc. shall have been made ready for use, and other essential utilities and public facilities shall have been made ready for use, or a date for their construction and delivery shall have been specified; and (g) the property management plan shall have been completed.

Before the post-completion sale of a commodity building, a property development enterprise shall submit the property development project manual and other documents evidencing the satisfaction of preconditions for post-completion sale to the property development authority.

Regulations on transactions of commodity buildings

According to the Development Regulations and the Pre-sale Measures, for the pre-sale of commodity buildings, the developer shall sign a contract on the pre-sale of a commodity building with the purchaser. The developer shall, within 30 days after signing the contract, apply for registration and filing of the pre-sale commodity building with the relevant property administration authorities.

Pursuant to the Circular of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Departments on Stabilizing House Prices (《國務院辦公廳轉發建設部等部門關於做好穩定住房價格工作意見的通知》) issued on May 9, 2005:

- A buyer of a pre-sold commodity building is prohibited from conducting any further transfer of the commodity building before construction has been completed and a property ownership certificate obtained. If there is a discrepancy in the name of the applicant for property ownership and the name of the advance buyer in the pre-sale contract, the property administration authorities shall not register the application for property ownership.
- A real name system is applied for each property purchase transaction and an immediate archival filing network system is in place for pre-sale contracts of commodity buildings.

Mortgages of Property

Under the Urban Property Law, the PRC Civil Code (《中華人民共和國民法典》) and the Measures on the Administration of Mortgages of Property in Urban Areas (《城市房地產抵押管理辦法》) promulgated by the MOC in May 1997 and amended on August 15, 2001, when a mortgage is lawfully created on a building, a mortgage shall be simultaneously created on the land use rights of the land on which the building is situated. When the land use rights acquired through means of assignment are being mortgaged, the buildings on the land shall be simultaneously mortgaged. The land use rights of town and village enterprises cannot be mortgaged. When buildings owned by town and village enterprises are mortgaged, the land use rights occupied by the buildings shall at the same time also be mortgaged. The mortgagor and the mortgagee shall sign a mortgage contract in writing. Within 30 days after a property mortgage contract is signed, the parties to the mortgage shall register the mortgage with the property administration authorities at the location where the property is situated. A property mortgage contract shall become effective on the date of registration of the mortgage. If a mortgage is created on property in respect of which a house ownership certificate has been obtained, the registration authority shall make an entry under the “third party rights” item on the original house ownership certificate and then issue a Certificate of Third Party Rights to the mortgagee. If a mortgage is created on the commodity building put to pre-sale or under construction, the registration authority shall record the details on the mortgage contract. If construction of a real property is completed during the term of a mortgage, the parties involved shall re-register the mortgage after the issuance of certificates evidencing the ownership of the property.

Leases of buildings

The Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) (the “Leasing Measures”), promulgated by the MOC on December 1, 2010, stipulate that the parties to a housing tenancy shall go through requisite housing tenancy registration formalities with the competent real estate authorities of the municipalities directly under the PRC central government, cities and counties where the housing is located within 30 days after the housing tenancy contract is signed. The relevant real estate authorities are authorized to impose a fine below RMB1,000 on individuals, and a fine from RMB1,000 to RMB10,000 on other violators who are not natural persons and fail to comply with the regulations within the specified time limit. The Leasing Measures came into effect as of February 1, 2011 and replaced the Measures for Administration of Leases of Property in Urban Areas (《城市房屋租賃管理辦法》).

Property Credit

PBOC issued the Circular on Further Strengthening the Management of Property Loans (《關於進一步加強房地產信貸業務管理的通知》) on June 5, 2003 to specify the requirements for banks to provide loans for the purposes of residential development, individual home mortgages and individual commodity buildings as follows:

- Property loans by commercial banks to property development enterprises shall be granted only in respect of a particular item of property development rather than to meet cash flow or other financing demands. Loans of any kind must not be granted for projects which do not obtain a land use rights certificate, construction land planning permit, construction works planning permit and construction works commencement permit.
- Commercial banks shall not grant loans to property development enterprises to pay off land premiums.
- Commercial banks may only provide housing loans to individual buyers when the main structural buildings have been topped out. When a borrower applies for an individual home loan for their first

residential unit, the minimum first installment remains unchanged at 20%. In respect of a loan application for any additional purchase of a residential unit(s), the percentage of the first installment shall be increased.

Pursuant to the Guidance on Risk Management of Property Loans from Commercial Banks (《商業銀行房地產貸款風險管理指引》) issued by the CBIRC on August 30, 2004, any property development enterprise applying for property development loans shall have at least 35% of the capital required for the development.

According to the Notice of the People's Bank of China on the Adjustment of Commercial Bank Housing Credit Policies and the Interest Rate of Excess Reserve Deposits (《中國人民銀行關於調整商業銀行住房信貸政策和超額準備金存款利率的通知》) promulgated by PBOC on March 16, 2005, which took effect from March 17, 2005, in cities and areas where there has been a rapid increase in house prices, the minimum first installment for individual house loans increased from 20% to 30%. Commercial banks can independently determine the particular cities or areas under such adjustment according to the specific situation in different cities or areas.

On May 24, 2006, the State Council issued the Opinions of the Ministry of Construction and other Departments on Adjusting the Housing Supply Structure and Stabilizing Housing Prices (《關於調整住房供應結構穩定住房價格的意見》). The regulations relating to property credit are as follows:

- Strict credit conditions shall be imposed on property development enterprises. In order to suppress the ability of property development enterprises to store up land and housing resources, commercial banks shall not provide loans to those property enterprises that fail to meet loan conditions, such as having a project capital of less than 35%. For property development enterprises that have large volumes of idle land and vacant commodity buildings, the commercial banks shall, in light of the principle of prudential operations, be stricter in controlling the renewal of loans or any form of revolving credit. The commercial banks shall not accept any commodity building that has been idle for three or more years as collateral for loans.
- From June 1, 2006, the minimum first installment for individual home loans shall not be lower than 30%. However, considering the demands for housing by the medium and low-income population, the purchase of owner occupied housing with a gross floor area of no more than 90 sq.m. is still subject to the requirement to provide a deposit of 20%.

On September 27, 2007, PBOC and the CBIRC issued the Notice on Strengthening the Management of Commercial Real Estate Credit and Loans (《中國人民銀行、中國銀行業監督管理委員會關於加強商業性房地產信貸管理的通知》) (the “**Notice**”). The Notice puts forward requirements for the purpose of strengthening processes for loan management, including by means of credit checks, monitoring of real estate loans and risk management, in respect of (i) real estate development, (ii) land bank, (iii) housing consumption and (iv) the purchase of commercial buildings.

Pursuant to the Notice, commercial banks shall not grant loans in any form, to (i) projects where the capital funds (owner's equity) constitutes less than 35%, or, projects without a land use rights certificate, construction land planning permit, construction works planning permit and construction works commencement permit; and (ii) property development enterprises that have been hoarding land and housing resources, as detected and verified by land resources departments and construction authorities. Furthermore, commercial banks are not permitted to accept commodity buildings with a vacancy exceeding three years as collateral for a loan, and may not grant property development enterprises any loans for the payment of relevant land assignment premiums.

In respect of loans for individual housing consumption, commercial banks are only permitted to grant housing loans to individuals who purchase commodity buildings the construction of which have reached the “topping out of the main structure” stage. Where an individual purchases his or her first commodity apartment for self-residence purpose, (i) of a construction area is below 90 sq.m., the minimum first installment shall be fixed at no less than 20%; and (ii) if the construction area is above 90 sq.m., the minimum first installment shall be fixed at no less than 30%. Where an individual has purchased a commodity apartment by means of such loan and proceeds to purchase a second (or more) home, the minimum first installment shall be no less than 40% and the interest rate shall not be under 110% of the benchmark interest rate as announced by PBOC during same period and in same bracket. Further, the minimum first installment and the interest rate shall both rise with the increase in the number of homes purchased, with the increased percentage rates to be determined by commercial banks, at their own discretion, according to principles of loan risk management. However, the monthly repayments for housing loans shall not exceed 50% of the individual borrower's monthly income.

In respect of commercial building loans, commercial buildings purchased by loan shall be buildings that have satisfied procedural requirements of completion inspection and acceptance. For such purchase, the minimum first installment shall be no less than 50%, the loan term shall not exceed ten years and the interest rate shall not be under 110% of the benchmark interest rate as announced by PBOC during the same period and in same bracket. Where a loan application is made in the name of a “commercial and residential building,” the minimum first installment shall be no less than 45% and the loan term and interest rate shall be arranged according to relevant regulations.

The Supplemental Notice on Strengthening the Management of Commercial Real Estate Credit and Loans (《中國人民銀行、中國銀行業監督管理委員會關於加強商業性房地產信貸管理的補充通知》) (the “**Supplemental Notice**”), jointly issued by PBOC and the CBIRC and dated December 5, 2007, sets forth supplemental requirements in respect of strengthening housing consumption loan management, mainly including the following:

- Assess the number(s) of housing loan with the borrower’s family as the basic calculation unit.
- Stipulate conditions under which the housing loan policy for first home buyers shall serve as the referential basis for bank loans.
- Where a family that has already purchased a commodity apartment via housing provident fund makes a housing-loan application to commercial banks, the requirements set forth in the Supplemental Notice shall be duly satisfied in accordance with the Supplemental Notice.

As stipulated in the Supplemental Notice, in the event an applicant is found to have presented false information and certifications, all commercial banks shall deem the loan application unacceptable.

Since the second quarter of 2008, the PRC government has implemented a series of policies intended to strengthen and improve the sound development of the real estate market.

On May 26, 2008, the CBIRC issued the Notice on Further Strengthening Risk Management in the Provision of Credit to the Real Estate Market (Yin Jian Fa No.42 [2008]) (《中國銀監會關於進一步加強房地產行業授信風險管理的通知》). To combat property development enterprises who (i) “falsify mortgages” by using forged property sale contracts; (ii) process “falsified down payments” from borrowers by accepting initial repayments in the pre-sale stage, paying for buyers in advance or by other means; or (iii) mislead banks about decisions over the provision of loans by forging their sale performances or house prices as well as other problems arising in the real estate market, the Notice requires each commercial bank to:

- strictly follow the policies and conditions related to the provision of loans to individuals;
- improve the monitoring of the qualifications of borrowers;
- rigorously examine the enterprise credit ratings of property development enterprises; and
- upon discovering that a property development enterprise has engaged in the “falsification of mortgages,” “falsification of down payments,” “forgery of house prices” or other such behavior, terminate the individual housing loans or development loans extended to such developer. Property development enterprises suspected of committing such crimes shall be referred to the judicial organs for further investigation.

On October 22, 2008, the People’s Bank of China issued the Circular on the Expansion of the Downward Adjustment Range for Interest Rates of Commercial Individual Mortgage Loans and Related Issues (《中國人民銀行關於擴大商業性個人住房貸款利率下浮幅度等有關問題的通知》) which decreased the minimum first installment for residential property purchasers to 20% and reduced the minimum mortgage loan rates for such purchases to 70% of the benchmark interest rate starting from October 27, 2008.

On December 20, 2008, the General Office of the State Council issued Several Opinions on Promoting the Sound Development of the Real Estate Market (《國務院辦公廳關於促進房地產市場健康發展的若干意見》), which provides the following regarding loans for property businesses:

- The purchase of regular commodity houses for residential purposes is to be encouraged. In addition to extending favorable interest rates and loan policies to first time buyers of apartments for self-residential purposes, individuals with an existing home in which the per person floor area is smaller than the local

average may buy a second apartment for self-residential purposes under favorable loan terms similar to those that apply to first-time buyers. If individuals purchase a second apartment or more for any other purpose, the interest rate shall be determined according to potential risks by commercial banks and based on the benchmark interest rate.

- The proper financing requirements for property development enterprises should be adhered to. Commercial banks shall increase credit financing services available to ordinary commercial housing construction projects, provide financial support and other related services to property development enterprises engaged in merger and restructuring activities, and support the approval of bond issuances by property development enterprises.

The State Council issued the Notice on Adjusting the Minimum Capital Requirement for Capital Funding for Fixed Assets Investment (《關於調整固定資產投資項目資本金比例的通知》) on May 25, 2009, which provides for the reduction of the minimum capital requirement for affordable residential housing projects and regular commodity residential houses from 35% to 20%, and for other property projects to 30%. When providing credit finance support and services, financial institutions shall determine, at their own discretion, whether to grant a loan and the amount of the loan having regard to the minimum capital requirement as determined by the state.

According to the Notice on Adjusting and Improving the System for Capital in Fixed Asset Investment Projects (《國務院關於調整和完善固定資產投資項目資本金制度的通知》) issued by the State Council on September 9, 2015, the minimal capital proportion for affordable housing projects and ordinary commodity housing projects remain to be 20%, whereas other real estate projects shall be adjusted from 30% to 25%.

On April 17, 2010, the State Council issued the Notice on Firmly Preventing Property Prices from Increasing too rapidly in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), pursuant to which the State Council raised the minimum first installment for second home purchases to 50% and set a minimum 30% first installment on first homes with a GFA of more than 90 sq.m. Further, the notice also stipulates that interest rates for mortgage loans for second homes cannot be lower than 110% of PBOC benchmark lending rate; and Interest rates for mortgage loans and minimum first installments for third or subsequent homes shall be increased substantially.

On September 29, 2010, PBOC and the CBIRC issued the Notice on Relevant Issues Relating to the Improvement of Differential Housing Loan Policy (《關於完善差別化住房信貸政策有關問題的通知》), which, among other things:

- prohibits commercial banks from providing housing mortgages to any members of a family unit purchasing their third or subsequent residential house or non-local residents who fail to provide one year or longer worth of local tax payment certificates or social insurance payment certificates;
- prohibits commercial banks from granting or extending loans to property developers that violate laws and regulations such as: (i) holding idle land; (ii) changing the land use; (iii) delaying the commencement and completion of development; and (iv) intentionally holding properties for future sale for the purpose of new property development; and
- increases the minimum down payment to at least 30% of the purchase price of the property.

According to Notice on Further Improving Differentiated Housing Credit Lending Policies (《關於進一步完善差別化住房信貸政策有關問題的通知》) issued by PBOC and CBIRC on September 24, 2015, in cities where there is no “property purchase control”, the minimum down payment ratio for a personal commercial housing loan borrowed by a resident household that purchases ordinary housing for the first time shall be adjusted to 25%.

According to Notice of Individual Housing Loan Policies (《關於個人住房貸款政策有關問題的通知》) promulgated jointly by PBOC and the CBIRC on March 30, 2015, where the household of a resident who owns one home of which relevant housing loan has not been settled files a new application for a commercial individual housing loan for purchasing an ordinary home to be used as its owner’s residence for the purpose of improving its living conditions, the minimum first installment for the second ordinary property is not less than 40%. Where the household of a worker who pays housing provident fund contributions uses a housing provident fund commission loan to purchase the first ordinary home to be used as its owner’s residence, the minimum first installment is 20%; where the household of a worker who owns one home of which relevant housing loan has been settled files a new application for a housing provident fund commission loan for purchasing an ordinary home to be used as its owner’s residence for the purpose of improving its living conditions, the minimum first installment is 30%.

Environmental Protection

Pursuant to the requirements of relevant laws and regulations such as the Appraisal Law for the Impact on the Environment of the PRC (《中華人民共和國環境影響評價法》) implemented by the Standing Committee of the National People's Congress in September 2003, and amended on July 2, 2016 and December 29, 2018, which became effective on the same date and the Regulations Governing Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) implemented by the State Council in November 1998 and amended on July 16, 2017, which came into effect on October 1, 2017, property development enterprises and construction enterprises must carry out an appraisal of the impact the construction project will have on the environment. The relevant project shall not commence until approval is obtained from the supervisory body for environmental protection. While the project is in progress, the developer should also comply with the appraisal documents relating to the impact on the environment and implement the environmental protection measures set out in the opinion of the supervisory body for environmental protection. Such measures must be incorporated into the design, construction and operation of the general construction. Upon completion of the project, the developer should apply to the supervisory body for environmental protection for the inspection and acceptance of the completed environmental protection facilities. Only those projects that have been inspected and accepted may go into operation or be available for use.

Pursuant to the Appraisal Law for the Impact on the Environment of the PRC (《中華人民共和國環境影響評價法》) and the Administrative Regulations for the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), enterprises are required to engage institutions with corresponding environmental impact assessment qualifications to provide environmental impact assessment services and reports for submission to the competent environmental protection administrative authorities. Construction work may only be commenced after such an assessment is submitted to and approved by the environmental protection administrative authority. The construction of pollution prevention and control facilities in a construction project must be designed, constructed and commenced simultaneously with the main facility. Provisions on the Graded Examination and Approval of Environmental Impact Assessment Documents of Construction Projects (《建設項目環境影響評價文件分級審批規定》) promulgated by the Ministry of Environmental Protection of the PRC, which took effect from March 1, 2009 further classified the construction projects whose environmental impact assessment shall be submitted to and approved by the Ministry of Environment and its local counterparts at provincial level. For those approvals made by lower environmental authorities in respect of construction projects that should have been submitted for approval to a higher competent environmental authority, the higher competent authority may revoke the approval made by such lower authority.

On December 20, 2017, the Ministry of Environmental Protection released an announcement to publish the Interim Measures on Environmental Protection Acceptance on Construction Projects (《建設項目專案竣工環境保護驗收暫行辦法》), with immediate effect. The regulation stipulated that the project constructor must not propose to have the environmental protection facilities accepted under nine circumstances. A project must not be put into production or use before the environmental protection facilities are accepted. The project contractor should make public project information, like date of completion, debugging period and project acceptance report, on its website or through other convenient means.

Construction Safety

Under relevant laws and regulations such as the Laws for Safe Production in the PRC (《中華人民共和國安全生產法》) promulgated by the Standing Committee of the National People's Congress in November 2002 and amended on August 27, 2009 and August 31, 2014 which took effect from December 1, 2014, the property development enterprise should apply to the supervisory department on safety for the registration of supervision for work safety in construction before the commencement of construction. Constructions without such registration will not be granted a construction works commencement permit by the supervisory body. Contractors for the construction should establish the objectives and measures for work safety and improve the working environment and conditions of workers in a planned and systematic way. A work safety protection scheme should also be set up to carry out the work safety job responsibility system. At the same time, contractors should adopt corresponding site work safety protective measures according to the work protection requirements in different construction stages and such measures shall comply with the labor safety and hygiene standards of the State.

Under the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the Standing Committee of the National People's Congress on November 1, 1997 and amended on April 22, 2011 and April 23, 2019, the construction contractor assumes responsibility for the safety of the construction site. The main contractor will take overall responsibility for the site, and the subcontractors are required to comply with the protective measures adopted by the main contractor.

Major Taxes Applicable to Property Development Enterprises

Income tax

According to the EIT Law (《中華人民共和國企業所得稅法》) enacted by the National People's Congress on March 16, 2007 and enforced from January 1, 2008 onwards, and amended on February 24, 2017 and December 29, 2018, a unified income tax rate of 25% is applied towards PRC enterprises.

Business tax to VAT

On May 27, 2005, SAT, MOF and Ministry of Construction jointly issued a Notice on Strengthening the Administration of Taxes in Connection with Real Estate (《國家稅務總局、財政部、建設部關於加強房地產稅收管理的通知》), which was amended on June 15, 2018 and implemented on the same date. According to the Notice, from June 1, 2005, business tax shall be imposed on the full amount of the sales income of an individual, upon the transfer of the ownership of a residential house by an individual within two years from the purchase date. However, transfer of an ordinary residential property may be exempted from business tax upon tax authorities' approval of application for such exemption. According to the Circular on Forwarding Opinions of the Ministry of Construction and other Departments on Stabilizing Housing Prices issued by the General Office of the State Council (《國務院辦公廳轉發建設部等部門關於做好穩定住房價格工作意見的通知》) on May 9, 2005, in the case of a house other than an ordinary residential house, business tax shall be imposed on the difference between the sales income and the purchase price, provided that the transfer occurs after two years from the purchase date. Ordinary residential house refers to a residential unit, of which (i) the plot ratio is more than 1.0; (ii) the GFA is less than 120 sq.m.; and (iii) the price is lower than 1.2 times of the average selling price of residential properties on the land of the same category. The provincial-level government may set its own GFA and price requirements with a deviation of no more than 20% of the abovementioned standards.

On May 24, 2006, the General Office of the State Council issued the circular on Distributing the Opinions of the Departments Including the Ministry of Construction on Adjusting the Housing Supply Structure and Stabilizing the Housing Price (《國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知》). According to the circular, starting from June 1, 2006, the conveyance of residential properties that has been purchased for less than five years shall be levied with business tax based on full amount of the sales income; and the conveyance of ordinary residential house that has been purchased by an individual over five years (inclusive) is exempted from the business tax. The conveyance of non-ordinary residential housing that has been purchased by an individual for over five years (inclusive) shall be levied with business tax based on the difference of the income obtained from sale of such housing reduced by the price of purchase thereof.

On December 20, 2008, according to the Certain Opinions on Promoting the Healthy Development of Real Estate Market (《國務院辦公廳關於促進房地產市場健康發展的若干意見》), the period of the business tax levied on the full amount of the sale proceeds on conveyance of residential properties decreased from five years from the date of purchase to two years from the date of purchase.

On December 22, 2009, MOF and SAT issued the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer. The notice provides, effective from January 1, 2010, that where any individual sells non-ordinary residential housing within five years of the original purchase date, the business tax thereon shall be collected on the full sale price; where any individual sells non-ordinary residential housing more than five years after the original purchase date or sells an ordinary housing unit within five years after the original purchase date, the business tax thereon shall be collected on the basis of the difference between the sale price and the original purchase price; where any individual sells an ordinary housing unit more than five years after the original purchase date, it shall be exempted from business tax. The notice was replaced by the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer issued by MOF and SAT on January 27, 2011. Under this notice, for the sale of an ordinary housing unit or non-ordinary residential housing within five years after the original purchase date, the business tax thereon shall be collected on the full sale price; for the sale of non-ordinary residential housing more than five years after the original purchase date, the business tax thereon shall be collected on the basis of the difference between the sale price and the original purchase price; for the sale of ordinary housing unit more than five years after the original purchase date, it shall be exempted from business tax. The above notice was replaced by the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer (the "2015 Notice") issued by MOF and SAT (《財政部、國家稅務總局關於調整個人住房轉讓營業稅政策的通知》) on March 30, 2015. Under the 2015 Notice, the period of five years was adjusted to two years.

On February 17, 2016, MOF, SAT and MOHURD jointly promulgated the Circular Concerning the Adjustment of the Deed Tax and Business Tax Incentives in the Real Estate Transactions (《財政部、國家稅務總局、住房城鄉建設部關於調整房地產交易環節契稅營業稅優惠政策的通知》) which stipulates that the sale of the house whose ownership has been owned for no less than two years by an individual, is free from levy of business tax.

On March 23, 2016, the MOF and the SAT issued the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業稅改徵增值稅試點的通知) (Caishui [2016] No.36, “**Circular 36**”) which confirms that business tax will be completely replaced by VAT from May 1, 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT. Further, given that the Issuer is located in the PRC, the holders of the Notes would be regarded as providing the financial services within China and consequently, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes. In addition, the holders of the Notes shall be subject to the local levies at approximately 12 per cent. of the VAT payment and consequently, the combined rate of VAT and local levies would be around 6.72 per cent. Given that the Issuer pays interest income to Noteholders who are located outside of the PRC, the Issuer, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Noteholders who are located outside of the PRC.

Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC.

Circular 36 has been issued quite recently, the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Pursuant to the EIT Law, the Individual Income Tax Law of the PRC (the “**IIT Law**”) and the VAT reform detailed above, the Issuer shall withhold EIT or IIT (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the Issuer shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT, VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

LAT

According to the requirements of the Provisional Regulations of The PRC on LAT (《中華人民共和國土地增值稅暫行條例》) (the “**LAT Provisional Regulations**”) which were promulgated on December 13, 1993 and came into effect on January 1, 1994 and amended on January 8, 2011, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) (the “**LAT Detailed Implementation Rules**”) which were promulgated and came into effect on January 27, 1995, any capital-gain from a transfer of property shall be subject to LAT. LAT shall be charged at four levels of progressive rates: 30% for the appreciation amount not exceeding 50% of the sum of deductible items; 40% for the appreciation amount exceeding 50% but not exceeding 100% of the sum of deductible items; 50% for the appreciation amount exceeding 100% but not exceeding 200% of the sum of deductible items; and 60% for the appreciation amount exceeding 200% of the sum of deductible items. Deductible items include the following:

- amount paid for obtaining the land use rights;
- costs and expenses for the development of the land;

- costs and expenses of new buildings and ancillary facilities, or estimated prices of old buildings and constructions;
- related tax payable for the transfer of property; and
- other deductible items as specified by MOF.

SAT also issued the Notice on the Strict Handling of the Administration of the Collection of LAT (《關於認真做好土地增值稅徵收管理工作的通知》) on July 10, 2002 to request local tax authorities to modify the management system of LAT collection, build up a sound taxpaying declaration system for LAT and modify the methods of pre-levying tax for the pre-sale of properties. This notice also pointed out that for property development contracts which were signed before January 1, 1994 or where the project proposal has been approved and capital was injected for development, the policy for exemption from LAT exemption for properties that are transferred for the first time is no longer in effect and the tax shall be levied again. This requirement is restated in the Notice on Strengthening of Administration of the Collection of LAT (《關於加強土地增值稅管理工作的通知》) issued on August 2, 2004 and revised on June 15, 2018, and the Notice on Further Strengthening the Administration of the Collection of LAT and Land Use Tax in Cities and Towns (《關於進一步加強城鎮土地使用稅和土地增值稅徵收管理工作的通知》) issued on August 2, 2004, by SAT. These two notices also required that system for the declaration of LAT and the registration of the sources of the LAT should be further improved.

On December 28, 2006, SAT issued the Notice on the Administration of the Settlement of LAT of Property Development Enterprises (《國家稅務總局關於房地產開發企業土地增值稅清算管理有關問題的通知》) which came into effect on February 1, 2007 and was amended on June 15, 2018. Pursuant to this notice, a property development enterprise shall settle and clear the LAT payment of its development projects that meet certain criteria with the tax authorities in accordance with the applicable LAT rates. The LAT shall be settled for projects approved by the competent authorities; and for projects developed in different stages, the LAT shall be settled in stages. LAT must be settled if (i) the property development project has been completed and fully sold; (ii) the property development enterprise transfers the whole uncompleted development project; or (iii) the land use rights with respect to the project are transferred. In addition, the relevant tax authorities may require the property development enterprise to settle the LAT if any of the following criteria is met: (i) for completed property development projects, the transferred GFA represents more than 85% of total saleable GFA, or the proportion represented is less than 85%, but the remaining saleable GFA has been leased out or used by the property development enterprise; (ii) the project has not been completely sold more than three years after obtaining the sale permit or pre-sale permit; (iii) the property development enterprise applies for cancellation of the tax registration without having settled the relevant LAT; or (iv) other conditions stipulated by the tax authorities.

This notice also indicated that if any of the following circumstances applies to a property development enterprise, the tax authorities shall levy and collect LAT as per a levying rate no lower than the pre-payment rate with reference to the bearing rate of LAT of local enterprises with a similar development scale and income level: (i) failure to maintain account books required by law or administrative regulation; (ii) destroying account books without authorization or refusing to provide taxation information; (iii) the accounts have not been properly maintained or cost materials, income vouchers and cost vouchers are damaged and incomplete, making it difficult to determine transferred income or the amount of deductible items; (iv) failure to go through LAT settlement within the prescribed period, and such failure is not cured within the period required by the relevant tax authorities; (v) the basis for tax calculation as submitted is obviously low without justifiable cause. Local provincial tax authorities can formulate their own implementation rules according to the notice and the local situation.

On May 12, 2009, SAT issued the Administrative Rules for the Settlement of LAT (《土地增值稅清算管理規程》) (the “**Settlement Rules**”), which became effective on June 1, 2009. The Settlement Rules reiterated the circumstances under which the LAT must be settled, the criteria that are to be met for relevant tax authorities to require the settlement of LAT and the circumstances under which the tax authorities shall levy and collect LAT as prescribed by the abovementioned notice. The Settlement Rules further stipulate detailed procedures for the examination and verification of the settlement of LAT to be carried out by relevant tax authorities.

On May 19, 2010, SAT issued the Circular on Relevant Issues of the Settlement of LAT (《國家稅務總局關於土地增值稅清算有關問題的通知》), which details relevant issues concerning income verification about the settlement of LAT, and the calculation of applicable exemption under certain circumstances.

On May 25, 2010, SAT promulgated the Notice on Strengthening the Collection of LAT (《國家稅務總局關於加強土地增值稅徵管工作的通知》) and imposed further requirements on the collection of LAT. This notice

provides that, except for indemnificatory housing, the minimum LAT prepayment rate shall be no less than 2% for properties in the eastern region of the PRC, no less than 1.5% for properties in the central or northeast region of the PRC and no less than 1% for properties in the western region of the PRC. The LAT prepayment rates will be determined by the local authorities based on the different types of properties in the locality.

Deed tax

Pursuant to the Interim Regulations of the PRC on Deed Tax (《中華人民共和國契稅暫行條例》) promulgated by the State Council on July 7, 1997, implemented on October 1, 1997 and amended on March 2, 2019, the transferee, whether an individual or otherwise, of the title to a land site or building in the PRC shall be subject to the payment of deed tax. The rate of deed tax is 3% to 5%.

On September 29, 2010, MOF, SAT and MOHURD issued the Notice of Deed Tax on the Adjustment of Real Estate Transactions and Personal Income Tax Preferential Policies (《財政部、國家稅務總局、住房和城鄉建設部關於調整房地產交易環節契稅個人所得稅優惠政策的通知》), which provides that: (1) first time home buyers who purchase an ordinary residence that is the family's sole property may receive a fifty percent discount on applicable deed tax; deed tax is reduced to 1% for a first time buyer who purchases an ordinary residence with less than 90 square meter floor area which is the family's sole property, and (2) taxpayers who, within a single twelve month period, purchased and sold a self-owned residential property and then purchased another residential property shall not be eligible for any reduction or exemption from individual income tax.

Pursuant to the Notice on Adjustment of Preferential Treatment Policies in Respect of Deed Tax and Business Tax on Real Estate Transactions (《關於調整房地產交易環節契稅、營業稅優惠政策的通知》) promulgated by MOF, SAT and MOHURD on February 17, 2016 and became effective on February 22, 2016, the rate of deed tax payable for real estate transactions is adjusted downward as follows:

- for an individual purchasing the only residential property for his/her household, the rate of deed tax is adjusted downward to 1% for a property of 90 sq.m. or less and to 1.5% for a property of more than 90 sq.m.; and
- for an individual purchasing the second residential property for his/her household to improve the living conditions, the rate of deed tax is reduced to 1% for a property less than 90 sq.m. or less and to 2% for a property of more than 90 sq.m. Beijing, Shanghai, Guangzhou and Shenzhen are not subject to the above deed tax preferential treatment policies temporarily.

Urban land use tax

Pursuant to the Provisional Regulations of the PRC Governing Land Use Tax in Urban Areas (《中華人民共和國城鎮土地使用稅暫行條例》) promulgated by the State Council on September 27, 1988, implemented on November 1, 1988 and amended on December 31, 2006, January 8, 2011, December 7, 2013 and March 2, 2019, land use tax in respect of urban land is levied according to the area of relevant land. As of December 7, 2013, the annual tax on every square meter of urban land collected from foreign-invested enterprises shall be between RMB0.6 and RMB30.0.

Building tax

Under the Interim Regulations of the PRC on Building Tax (《中華人民共和國房產稅暫行條例》) promulgated by the State Council on September 15, 1986, implemented on October 1, 1986 and amended on January 8, 2011, building tax shall be levied at 1.2% if it is calculated on the basis of the residual value of a building, and 12% if it is calculated on the basis of the rental payments for lease of the building.

Stamp duty

Under the Interim Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) promulgated by the State Council on August 6, 1988, implemented on October 1, 1988 and amended on January 8, 2011, for property transfer instruments, including those in respect of property ownership transfer, the stamp duty rate shall be 0.05% of the amount stated therein; for permits and certificates relating to rights, including property title certificates and land use rights certificates, stamp duty shall be levied on a per item basis of RMB5 per item.

On October 22, 2008, MOF and SAT issued the Circular on Taxation Policy Adjustment Concerning Real Estate Trading (《關於調整房地產交易環節稅收政策的通知》) and amended on September 29, 2010, which temporarily exempted stamp duty for individuals selling or buying houses starting from November 1, 2008.

Measures on Stabilizing Housing Price

The General Office of the State Council promulgated the Circular on Duly Stabilizing the Prices of Residential Properties (《關於切實穩定住房價格的通知》) on March 26, 2005, requiring measures to be taken to restrain housing prices from increasing too fast and to promote the healthy development of the property market. On April 30, 2005, the General Office of the State Council issued the Opinion of the Ministry of Construction and other Departments on Stabilizing the Prices of Residential Properties (《關於做好穩定住房價格工作的意見》), which provides that:

Intensifying planning and control and improving the housing supply structure

Where there is excessive growth in housing prices and insufficient supply of medium to low priced commodity houses and affordable residential housing, housing construction should mainly involve projects for the development of medium to low priced commodity houses and affordable residential houses. The construction of low-density, high-quality houses shall be strictly controlled. With respect to projects for the construction of medium-or-low-price commodity houses, prior to the assignment of land, the municipal planning authority shall, according to control planning, set forth conditions for the plan and design of such elements as height of buildings, plot ratio and green space. The property authority shall, in collaboration with other relevant authorities, set forth requirements such as sale price, type and area. Such conditions and requirements will be set up as preconditions to the assignment of land to ensure an adequate supply of small or medium-sized houses at moderate and low prices. The local government must intensify the supervision of planning permits for property development projects. Housing projects that have not been commenced within two years must be re-examined, and those that turn out to be noncompliant will have their planning permits revoked.

Intensifying control over the supply of land and rigorously enforcing the administration of land

Where there is rapid excessive growth in the price of land for residential use, the proportion of land for residential use to the total land supply should be raised, and the land supply for the construction of regular commodity housing at medium or low prices and affordable residential housing should be increased. Land supply for villa construction shall be continuously suspended, and land supply for high-end housing property construction shall be restricted.

On May 24, 2006, the General Office of the State Council issued the Opinion of the Ministry of Construction and other Departments on Adjusting Housing Supply Structure and Stabilization of Housing Prices (《關於調整住房供應結構穩定住房價格的意見》). As to the adjustment of housing supply and stabilization of housing prices, the opinion provides that:

Adjustment to the housing supply structure

- The construction of medium and small-sized regular commodity houses at medium or low prices should be especially developed to satisfy the demands of local residents.
- From June 1, 2006, for each and every commodity building newly examined and approved for the commencement of construction, the proportion of the area of housing (including economically affordable housing) with a unit floor area less than 90 sq.m. must reach 70% of the total development and construction area. In case of adjustment of the above-mentioned proportion, if required in special cases, the municipalities directly under the central government, separately planned cities and provincial capital cities must submit the special request for adjusting proportion to the MOC for approval. The projects that have been examined and approved but have not received a construction works commencement permit shall, where necessary, adjust the set style of housing according to the above-mentioned requirements.

Adjustment to tax, credit and land policies

- Commencing June 1, 2006, business tax applicable to the transfer of a residential property by an individual within five years from the date of purchase will be levied on the basis of the full amount of the sale proceeds. For an individual transferring an ordinary residential property five years or more

from the date of purchase, business tax will be exempted. For an individual transferring a house other than an ordinary residential house for five years or more from purchasing, the business tax will be levied on the basis of the balance between the income from selling the house and the purchase price.

- In order to restrain property development enterprises from purchasing land and buildings with bank credits, any developer applying for loans shall have at least 35% of capital required for the project development. Commercial banks should restrict the grant or extension of revolving credit facilities in any form to property development enterprises with a large amount of idle land and/or vacant commodity buildings. Commodity buildings which are vacant for more than three years should not be accepted as a guarantee by the commercial banks.
- From June 1, 2006, the first installment of individual house loans should be no less than 30%. When a borrower applies for individual house loans for his own use and the floor area of the unit is less than 90 sq.m., the first installment remains at 20%.
- At least 70% of the land supply for residential property developments must be used for low-to-medium-cost and small to medium-size units and low-cost rental properties. On the basis of the restriction of price and housing style, the land supply shall adopt the method of competitive bidding of land price and housing price to determine the property development enterprise. Land supply for villa construction shall continue to be suspended, and land supply for low-density and large-area housing property construction shall be strictly prohibited.
- When construction has not yet started one year after the construction commencement date agreed in the land use rights assignment contract has elapsed, charges for idle land should be collected at a higher level; when the construction has not started two years after the construction commencement date agreed in the land use rights assignment contract have elapsed, the right to use land can be taken back without compensation. The land will be regarded as idle land if: the development and construction of the land has started on time, but the developed area is less than one third of the total area to be developed and constructed, or the invested amount is less than 25% of the total amount of investment, and the development and construction has been continuously suspended for no less than one year without approval.

Further rectifying and regulating the property market

- Any project with a construction land planning permit which has not started construction should be re-evaluated. If the project is not in accordance with the controlling requirements of the plan, especially the requirements of the set style structure, the construction works planning permit, the construction works commencement permit and the pre-sale permit should not be issued. Projects which have been altered or the construction of which have exceeded the provisions shall be disposed of or confiscated according to law.
- The property administration authority and the administration of industry and commerce should investigate any illegal conduct such as contract fraud. Illegal conduct involving commodity building pre-completion sales without the necessary conditions should be ordered to stop and punished. With respect to the property enterprises that store up housing and maliciously manipulate and raise housing prices, the competent authorities shall enforce monetary punishment according to laws and regulations, and the responsible persons concerned may have their Business Licenses revoked and/or shall be investigated and prosecuted.

To implement the Opinions on Adjusting the Housing Supply Structure and Stabilizing Housing Prices, the MOC promulgated Certain Opinions Regarding the Implementation of the Ratio Requirement for the Structure of Newly Constructed Residential Units (《建設部關於落實新建住房結構比例要求的若干意見》) on July 6, 2006 and made supplemental requirements on the proportion of newly built housing structure as follows:

- From June 1, 2006, in any city (including counties), housing with a floor area of less than 90 sq.m. should reach 70% of the total floor area of commercial commodity buildings newly approved or constructed.
- The governments should guarantee the conditions of planning and design of newly-built commodity buildings conform to the requirements of structure and proportion. Any digression from the above-mentioned requirements without authorization is forbidden and a construction works planning permit should not be issued by municipal planning and authorities. If there is any noncompliance with the

planning permit, a construction works commencement permit should not be issued by the construction authority and a permit for pre-sale of commodity buildings should not be issued by property development authority.

According to Several Opinions of the General Office of the State Council on Providing Financial Support for Economic Development (No.126 [2008]) (《國務院辦公廳關於當前金融促進經濟發展的若干意見》), issued by General Office of the State Council on December 8, 2008, the State Council (i) implemented and promulgated relevant credit policies and measures to support people's purchase of their first ordinary home or improved ordinary home; (ii) provided more credit support for the construction of low rent houses and affordable residential houses and the reconstruction of shed areas for low-income urban residents; and (iii) initiated the pilot operation of real estate trust investment funds to diversify the financing channels of real estate enterprises.

In January 2010, the General Office of the State Council issued a Circular on Facilitating the Stable and Healthy Development of the Property Market (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》), which adopted a series of measures to strengthen and improve the regulation of the property market, stabilize market expectation and facilitate the stable and healthy development of the property market. These include, among others, measures to increase the supply of affordable housing and ordinary commodity housing, provide reasonable guidance for the purchase of property, restrain speculative investment in property, and strengthen risk prevention and market supervision. Additionally, the Circular explicitly requires a family (including a borrower, his or her spouse and children under 18) who have already entered into a mortgage for the purchase of a house to pay a minimum down payment of 40% of the purchase price of a second or any additional house which they apply to purchase.

On February 15, 2012, MLR promulgated the Notice on Accomplishment of Real Estate Land Administration and Control in 2012 (《國土資源部關於做好2012年房地產用地管理和調控重點工作的通知》) which requires that the previous real estate market control policy shall be firmly performed and the real estate land supply for residential projects, especially for social security housing projects shall be guaranteed.

On July 19, 2012, MLR and MOHURD jointly issued the Urgent Notice to Further Tighten Up Real Property Land Administration and Consolidate the Achievement of Macroeconomic Control of the Real Property Market (《關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》) to strengthen the enforcement of macroeconomic policy in the real property market, which requires residential construction projects must commence within one year from the land title delivery date which is stipulated in the land allocation decision or land grant contract and must be completed within three years from the date of commencement.

On November 5, 2012, MLR, MOF, PBOC and CBIRC jointly promulgated the Notice on Strengthening Land Reserves and Financing Administration (Guotuzi Fa [2012] No. 162) (《關於加強土地儲備與融資管理的通知》(國土資發[2012]162號)) in order to strengthen land bank institution administration, determine the reasonable scale and structure of land bank, strengthen the administration of land pre-development, reservation and protection, and regulate the financing to land reservation and the use of land reservation funds.

On February 20, 2013, the executive meeting of the State Council chaired by Premier Wen Jiabao issued a document emphasizing the strict implementation of tightening measures for the real estate market. The measures include completing a system of responsibility for stabilizing housing prices; restraining purchases of residential housing for investment and speculation purposes; expanding the supply of both ordinary commodity housing and of land; accelerating construction of affordable housing projects; and strengthening market supervision.

On February 26, 2013, the State Council issued the Notice on Continuing Adjustment and Control of Property Markets (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》) which requires, among other restrictive measures:

- Improving the responsibility system for stabilizing housing prices. Municipalities directly under the central government, cities listed on state plans and provincial capitals (excluding Lhasa) must set an annual objective for controlling housing prices and publish annual new commodity housing price control target in the first quarter of the year.
- Firmly restraining purchases of residential housing for investment and speculation purposes. Municipalities directly under the central government, cities listed on state plans and provincial capitals (excluding Lhasa) which have implemented restrictions on the real estate market are required to cover all administrative areas of the cities as restricted areas, and restricted housing shall include new commodity housing and second-hand housing. Non-local residents who possess one or more residential properties and fail to provide one-year or longer tax payment certificates or social insurance payment

certificates are to be barred from purchasing any residential properties located in the administrative area. For cities where housing prices are increasing at an excessively high rate, local branches of PBOC may further raise the down-payment rate and mortgage interest rate for the purchase of a second residential property. In addition, the state will strictly enforce a 20% tax on home sale profits.

- Expanding ordinary commodity housing units and increasing the supply of land. The overall housing land supply in 2013 shall not be lower than the average actual land supply in the past five years. Financial institutions, subject to credit requirements, are to prioritize requests for loans for ordinary commodity housing construction projects in which medium and small housing units constitute 70% or more of the total units in such construction project.

Pursuant to the Government Work Report (政府工作報告) dated March 5, 2019, the Chinese government aims to better address people's housing needs, reform and improve housing market and support systems, sustain the steady and healthy development of real estate markets, and prudently advancing legislation on real estate tax.

OTHER PRC LAWS AND REGULATIONS

Summary of the Relevant Laws and Regulations on Labor and Employment

The Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the NPC Standing Committee on July 5, 1994, came into effect on January 1, 1995, and amended on August 27, 2009 and December 12, 2018, together with the relevant laws and regulations, emphasizes working hours, rest and vacations, and the principle of distribution of wages according to work and equal pay for equal work, establishes a system of guaranteed minimum wages and provides special protection to female staff and workers and juvenile workers.

The PRC Civil Code (《中華人民共和國民法典》) is applicable where the employers establish labor relationships with employees through concluding, performing, modifying, revoking or terminating labor contracts with them. Labor contracts in written form shall be executed to establish labor relationship between employees and employers, and the labor contracts consist of fixed-term labor contracts, open-ended labor contracts and labor contracts that expire upon completion of given jobs. Where the employer fails to conclude a written labor contract with an employee for more than a month but less than a year from the date it starts employing him, it shall pay the worker two times his salary for each month. In addition, the conditions of concluding open-ended labor contracts and the payable financial compensation undertaken by employers shall also be emphasized in this law.

Social Insurance

According to the Labor Law of the PRC (《中華人民共和國勞動法》), the Decision of the State Council on Establishing the Unified Basic Pension Insurance System for the Employees of Enterprises (《國務院關於建立統一的企業職工基本養老保險制度的決定》), the Decision of the State Council on Establishing the Basic Medical Insurance System for the Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), the Regulation on Work-related Injury Insurance (《工傷保險條例》), the Regulation on Unemployment Insurance (《失業保險條例》), the Provisional Insurance Measures for Maternity of Employees (《企業職工生育保險試行辦法》), the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》), the employing unit and employee must participate in social insurance and pay social insurance premiums in accordance with the law. The employing units responsible for payment shall establish and complete the registration of social insurance and housing fund, and pay fees on basic pension insurance, work-related injury insurance, maternity insurance, basic medical insurance, unemployment insurance and housing fund for the employees.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated on October 28, 2010, came into effect on July 1, 2011 and amended on December 29, 2018 and became effective on the same date, the PRC government establishes social insurance systems such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance so as to protect the right of citizens in receiving material assistance from the State and the society in accordance with the law when getting old, sick, injured at work, unemployed and giving birth, and emphasizes the legal obligations and responsibilities of units for pay social insurance premiums for employees as follows:

- an employing entity shall apply for its workers to the social insurance agency for going through the formalities for social insurance registration within 30 days from the date on which the worker is

employed. If the formalities for social insurance registration have not been gone through, the social insurance agency shall determine the social insurance premium that the employing entity should pay;

- if an employing entity has not declared the amount of social insurance premiums that should be paid in accordance with the provisions, the amount that should be paid shall be determined based on 110% of the amount of premiums paid by the entity in the preceding month. After the entity paying the premiums handles the originally omitted declaration formalities, the social insurance premium collection institution shall make the settlement in accordance with the provisions;
- if the employing entity does not pay or make up the difference of the social insurance premiums within the stipulated period, the social insurance premium collection institution may make enquires to the bank or other financial institutions about the deposit account of the entity. It may also apply to the relevant administration department above the county level to make the decision on the allocation of social insurance premiums and inform the bank or other financial institutions with which the account is opened in writing to allocate the social insurance premiums. If the balance in the account of the employing entity is less than the social insurance premiums that should be paid, the social insurance premium collection institution may request the employing entity to provide guarantee and sign the agreement on the delay in premium payment;
- if the employing entity does not pay the full amount of the social insurance premiums and does not provide guarantee, the social insurance premium collection institution may apply to the people's court to attach, seize and auction the entity's properties with value equivalent to the social insurance premiums that should be paid and use the proceeds from the auction to pay the social insurance premiums; and
- if an employing entity does not pay the full amount of social insurance premiums as scheduled before July 1, 2011, the social insurance premium collection institution shall order it to pay within a period; if payment is not made within the stipulated period, the institution shall impose a daily fine equivalent to 0.2% of the overdue payment as of the date when the amount became overdue. As to those underpaid social insurance funds contributions derived after July 1, 2011, the institution shall order it to make the payment or make up the difference within the stipulated period and impose a daily fine equivalent to 0.05% of the overdue payment from the date on which the payment is overdue.

According to the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) promulgated and came into effect on April 3, 1999 and amended by the State Council on March 24, 2002 and March 24, 2019, a unit shall go to the housing fund management center to undertake registration of payment and deposit of the housing fund. A newly established unit shall go to the housing fund management center to undertake housing fund payment and deposit registration within 30 days from the date of its establishment, and go to a commissioned bank to go through the formalities of opening housing fund accounts on behalf of its staff and workers within 20 days from the date of the registration with the verified documents of the housing fund management center. When employing new staff or workers, the units shall undertake housing fund payment and deposit registration at a housing fund management center within 30 days from the date of the employment, and shall go through the formalities of opening or transferring housing fund accounts of staff and workers at a commissioned bank with the verified documents of the housing fund management center. Where, in violation of the provisions of these Regulations, a unit fails to undertake payment and deposit registration of housing fund or fails to go through the formalities of opening housing fund accounts for its staff and workers, the housing fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Where, in violation of the provisions of these Regulations, a unit is overdue in the payment and deposit of, or underpays, the housing fund, the housing fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Legal Regulations over Intellectual Property in the PRC

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the “**Copyright Law**”), which was amended on February 26, 2010 with effect from April 1, 2010, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the right of production and that of distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating

the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology, pay damages, etc.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”), which was amended on August 30, 2013 with effect from May 1, 2014, and was amended on April 23, 2019 with effect from November 1, 2019, the right to exclusive use of a registered trademark shall be limited to trademarks which have been approved for registration and to goods for which the use of trademark has been approved. The period of validity of a registered trademark shall be ten years, counted from the day the registration is approved. According to the Trademark Law, using a trademark that is identical with or similar to a registered trademark in connection with the same or similar goods without the authorization of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action and pay damages, among other measures.

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”), which was amended on December 27, 2008 with effect from October 1, 2009, after the grant of the patent right for an invention or utility model, except where otherwise provided for in the Patent Law, no entity or individual may, without the authorization of the patent owner, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process, for production or business purposes. And after a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, for production or business purposes, manufacture, offer to sell, sell, or import any product containing the patented design. Where the infringement of patent is decided, the infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action, and pay damages, etc.

Domain Name

The Administrative Measures on Internet Domain Names (《互聯網絡功能變數名稱管理辦法》) were promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and became effective on November 1, 2017. These measures regulate the registration of domain names in Chinese with the Internet country code of “.cn”.

The Measures on Top Level Domain Names Dispute Resolution (《中國互聯網絡資訊中心功能變數名稱爭議解決辦法》) were promulgated by the China Internet Network Information Center on September 1, 2014 and became effective on the same date. These measures require domain name disputes to be submitted to institutions authorized by the China Internet Network Information Center for resolution.

Regulations on Creditor’s Right in Bankruptcy in PRC

In the case that an enterprise files a bankruptcy petition, a creditor may not get paid off if it fails to declare its creditor’s right in accordance with the PRC Bankruptcy Law; however, even if the creditor has duly declared its creditor’s right, it is still unlikely to secure a pay-off or full pay-off of the amount claimed due to the low priority in liquidation given to such general creditor’s right:

According to the PRC Bankruptcy Law, after accepting a bankruptcy petition, the people’s court will determine a time limit for the declaration of creditor’s right (the “**Declaration Period**”). The Declaration Period will be calculated from the date on which the people’s court issues an announcement of acceptance of the bankruptcy petition, and shall be no less than 30 days and no more than 3 months. Where a creditor fails to declare its creditor’s right within the Declaration Period, it may make supplemental declaration before the final distribution of bankruptcy assets, but no supplemental distribution will be made to a creditor that has received any previous distribution. The expenses for examining and confirming the creditor’s right claimed afterwards shall be borne by the party that makes such declaration. Where a creditor fails to claim its creditor’s right according to PRC Bankruptcy Law, it will not be able to exercise relevant right in accordance with the procedure as prescribed in the law.

According to the PRC Bankruptcy Law, after an enterprise is declared bankrupt by the court, the assets of the enterprise (the bankruptcy assets) shall be liquidated and distributed in the following order of precedence subject to the satisfaction of expenses for bankruptcy procedure and debts of common benefits:

- outstanding wages and allowances for medical treatment, injury and disability to be paid to employees by the bankrupt enterprise; outstanding basic pension and medical insurance contributions to be credited into employees' bank accounts; and other compensations required to be paid to employees by applicable laws and administrative regulations.
- outstanding social insurance contributions other than those mentioned in the preceding paragraph and taxes to be paid by the bankrupt enterprise; and
- general creditor's right.

Where the bankruptcy assets are not sufficient to cover debts of the same priority, a pro rata distribution will apply.

FOREIGN EXCHANGE CONTROL

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the “**Administrative Regulations on Foreign Exchange**”), which became effective from April 1, 1996 and was subsequently amended on January 14, 1997 and August 5, 2008. The Administrative Regulations on Foreign Exchange classifies all international payments and transfers into current account items and capital account items. Current account items are no longer subject to SAFE's approval while capital account items are still subject to its approval. Under the revised Administrative Regulations on Foreign Exchange, foreign currency borrowings shall be handled in accordance with relevant provisions of the state and registered as foreign debts with the relevant foreign exchange administrative authority. The State Council foreign exchange administrative department shall be responsible for the compilation of statistics on and monitoring of China's foreign debts and shall periodically publish foreign debt information.

DIRECTORS AND SENIOR MANAGEMENT

Our board of directors is responsible and has general powers for the management and conduct of our business. Our board consists of nine members, including five directors, one employee representative director and three independent directors. The table below sets forth information regarding our directors as of the date of this offering memorandum.

Name	Age	Position/Title
ZHOU Da (周達)	40	Chairman of the board of directors
WANG Hongfei (王洪飛).....	56	Deputy Chairman of the board of directors, Employee Representative Director
YANG Chengjun (楊程鈞)	44	Director, President
LIU Jing (劉靜).....	41	Director
YANG Liu (楊柳).....	36	Director
CHEN Gang (陳剛).....	52	Employee Representative Director
ZHU Ning (朱寧).....	48	Independent Director
WANG Wen (王文)	41	Independent Director
Hu Yuntong (胡耘通).....	39	Independent Director

Directors

Mr. ZHOU Da (周達), aged 40, has been the chairman of the board of directors at our Company since January 2021. Mr. Zhou previously held various positions at our Company, including as the general manager of our Chongqing regional branch company from February 2019 to January 2021, an employee representative director from December 2016 to February 2019, and an employee representative supervisor from May 2014 to September 2014, the manager of the office of the chairman, the deputy director of the development department, the manager of office of the president, the assistant to the chairman of our north China regional branch company and east China regional branch company, the deputy manager of our Chongqing regional branch company and the manager of our Fuling regional branch company, and the general manager of our operation and management center. Mr. Zhou has a bachelor's degree. He is currently enrolled in an executive master's program in business administration.

Mr. WANG Hongfei (王洪飛), aged 56, has been the deputy chairman of the board of directors and the employee representative director of our Company since January 2021. Mr. Wang previously held various positions at our Company, including as a co-president from March 2018 to January 2021, the chairman of the board of directors of our Hubei regional branch company from February 2019 to January 2021, the chairman of the board of directors of our Shandong regional branch company from September 2018 to January 2020, the chairman of the board of directors of our central China regional branch company from September 2018 to February 2019, the chairman of the board of directors and the general manager of our east China regional branch company from April 2015 to March 2018, a vice president from May 2014 to July 2017 and the chairman of the board of directors and the general manager of our Jiangsu regional branch company from March 2014 to March 2015. In addition, he previously served as the general manager of Hongyi Real Estate Co., Ltd. (鴻意地產公司) and Wanye Xinhongyi Real Estate Co., Ltd. (萬業新鴻意地產公司) from August 1999 to March 2014, the president and the division head of the credit division of Bank of Communications, Nantong Branch (交通銀行南通分行支行) from August 1994 to May 1999, a deputy general manager of Nantong Electricity Development Co., Ltd. (南通市電力開發公司), an assistant to the town mayor of the Wujia Town, Tongzhou City (通州市五甲鄉) and a clerk of Nantong Development and Reform Commission (南通市發展和改革委員會). Mr. Wang has a bachelor's degree.

Mr. YANG Chengjun (楊程鈞), aged 44, has been a director and the president of our Company since January 2021. Mr. Yang previously served as the chairman of the board of directors and the general manager of our Yunnan and Guangxi regional branch company from November 2017 to January 2021, the executive general manager of our west China regional branch company from July 2017 to October 2017, the executive general manager of our mid-west China regional branch company from November 2015 to June 2017 and the general manager of our Fuling regional branch company from June 2013 to October 2015. In addition, he previously held various positions at our Company including the general manager of our Beijing regional branch company, Chengdu regional branch company and Beijing regional branch company.

Ms. LIU Jing (劉靜), aged 41, has been a director of our Company since May 2017. Ms. Liu has concurrently served as a director of Chongqing Hongtao Investment Co., Ltd. (重慶市虹陶投資股份有限公司) since April 2015. Ms. Liu previously served as the customer service director of the media department of Chongqing Dingrun Communication and Media Co., Ltd. (重慶鼎潤傳媒有限公司) from July 2009 to October 2013. Ms. Liu has a college degree.

Mr. YANG Liu (楊柳), aged 36, has been a director of our Company since January 2021. He has concurrently served as the assistant president of Red Star Macalline Holding Group Co., Ltd. (紅星美凱龍控股集團有限公司) since December 2019. He previously served as the executive deputy general manager, the deputy general manager of the household project management center and the assistant to general manager of the internal audit department of Red Star Macalline Group Corporation Limited (紅星美凱龍家居股份有限公司) (Stock code: 01528) from 2010 to 2019. He previously served the Shanghai office of KPMG International Limited from 2007 to 2010. Mr. Yang has a master's degree in business administration.

Employee Representative Directors

Mr. CHEN Guang (陳剛), aged 52, has been an employee representative director of our Company since May 2017 and the general manager of the legal department of our Company since February 2007. Mr. Chen previously served as a full-time lawyer with Chongqing Shengshiniu Law Firm (重慶聖石牛律師事務所) from December 1998 to January 2007 and a legal staff with Fuling Legal Affairs Center (涪陵法律事務中心). Mr. Chen has a bachelor's degree.

Independent Directors

Mr. ZHU Ning (朱寧), aged 48, has been an independent director of our Company since January 2021. He is also a professor of finance and deputy dean of Shanghai Advanced Institute of Finance (上海高級金融學院) and Shanghai Jiao Tong University (上海交通大學). He has previously served as a tenured professor of finance at University of California, a faculty fellow of the International Center of Finance of Yale University, a distinguished professor of finance at Guanghua School of Management of Beijing University (北京大學), an associate professor of finance (tenured) of University of California, Davis, a professor of Fanhai Lecture (泛海講席) of Tsinghua University (清華大學) and the deputy dean of National Institute of Financial Research at Tsinghua University. Mr. Zhu has a doctorate degree.

Mr. WANG Wen (王文), aged 41, has been an independent director of our Company since January 2021. He is also the executive dean of Chongyang Institute for Financial Studies (重陽金融研究院), a distinguished professor and the associate dean of Silk Road School (絲路學院) of Renmin University of China, the secretary-general of Green Finance Committee, China Society for Finance and Banking (中國金融學會綠色金融專業委員會), a consultant fellow of Counselors' Office of the State Council of China (國務院參事室金融研究中心), and a columnist for the English version of the *Global times* (環球時報), and *Observer.com* (觀察者網). Mr. Wang has a doctorate degree.

Mr. Hu Yuntong (胡耘通), aged 39, has been an independent director of our Company since January 2021. He is a professor of the Southwest University of Political Science and Law (西南政法大學), a part-time attorney at the Chongqing Kunyuanhengtai Law Firm (重慶坤源衡泰律師事務所), a certified public accountant, a holder of the License for Fund Practitioners (基金從業資格), and also a leading accounting talent in Chongqing (重慶市會計領軍人才), an expert for Chongqing municipal budget and performance evaluation (重慶市市級預算勳效評價專家), an expert for Chongqing municipal governmental procurement audit and evaluation (重慶市政府採購評審專家) and a special-term expert at the Chongqing International Taxation Research Institute (重慶市國際稅收研究會). He has previously served as counsel for organizations and companies, including Chongqing Municipal Finance Bureau (重慶市財政局), State Taxation Bureau of Chongqing Municipal under the State Administration of Taxation (國家稅務總局重慶市稅務局) and Chongqing Airport Group Co., Ltd. (重慶機場集團有限公司). Mr. Hu has a doctorate degree in law. He is also a postdoctoral researcher in business administration (study of accounting).

Supervisors

We have three supervisors and the term of each their appointment is three years.

The table below sets forth information regarding our supervisors as of the date of this offering memorandum.

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
LIU Zhonghai (劉忠海).....	46	Chairman of the Supervisors
LIANG Zhongtai (梁忠太).....	40	Supervisor
HAN Chong (韓翀).....	49	Employee representative supervisor

Mr. LIU Zhonghai (劉忠海), aged 46, has been the chairman of the supervisors of our Company since March 2019. Mr. Liu previously served as a vice president of our Company from May 2017 to February 2019, a director of our Company from May 2015 to May 2017 and the secretary to the board of directors of our Company from May 2008 to February 2019. In addition, Mr. Liu previously held positions as the director of the Southwest Office of Shenzhen Securities Information Co., Ltd. (深圳證券資訊有限公司西南辦事處), a journalist of China Securities Journal (中國證券報) and a journalist of Xinhua News Agency, Chongqing Branch (新華社重慶分社). Mr. Liu has a master's degree in business administration and is currently enrolled in an executive master's program in business administration.

Mr. LIANG Zhongtai (梁忠太), aged 40, has been a supervisor of our Company since January 2021 and the chief risk officer and the general manager of the financial center and the investment review center of our Company since March 2019. Mr. Liang previously held positions as a project manager of the third audit department and an assistant manager of the professional technology department of Chongqing Pan-China Certified Public Accountants LLP (重慶市天健會計師事務所), a deputy manager of the finance department of Jinke Group Chongqing Real Estate Co., Ltd. (金科集團重慶地產公司), a director of the finance department of Jinke Group Jiangsu Real Estate Co., Ltd. (金科集團江蘇地產公司) and Jinke Group Chongqing Real Estate Co., Ltd. from July 2003 to April 2015, a general manager of the financial management department of our Chongqing regional branch company from May 2015 to May 2018, a deputy general manager of the financial center of our Company from June 2018 to February 2019. Mr. Liang is currently enrolled in a master's program in business administration.

Mr. HAN Chong (韓翀), aged 49, has been an employee representative supervisor of our Company since May 2017 and the general manager of the audit and risk control department of our Company since September 2018. Mr. Han previously served as a supervisor of our Company from May 2014 to May 2017, a deputy director of the audit and risk control department of our Company from April 2014 to June 2017 and a senior deputy director of the audit and risk control department of supervision and audit center of our Company from July 2017 to August 2018. In addition, Mr. Han previously held positions as an accountant of Chongqing Automobile Transportation (Group) Co., Ltd. (重慶汽車運輸總公司), a project manager of Chongqing Zhongding Certified Public Accountants (重慶中鼎會計師事務所), an audit manager of Price Waterhouse Coopers PLL (Chongqing Office) (重慶普華永道會計師事務所). Mr. Han has a bachelor's degree.

Senior Management

The table below sets forth information regarding our senior management as of the date of this offering memorandum.

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
LUO Licheng (羅利成).....	56	Co-president
WANG Wei (王偉).....	52	Co-president
LI Hua (李華).....	58	Executive vice president, Chief financial officer
FANG Mingfu (方明富).....	48	Vice president
HUANG Zhongqiang (黃中強).....	46	Vice president
ZHANG Qiang (張強).....	50	Vice president, Secretary to the board of directors
SONG Ke (宋柯).....	46	Vice president

Mr. LUO Licheng (羅利成), aged 56, has been a co-president of our Company since February 2021. He previously served as a general manager of the planning and design center of Chongqing Jinke Industry (Group) Co., Ltd. (重慶市金科實業(集團)有限公司), a deputy general manager and an executive deputy general manager of Chongqing Jinke Industry (Group) Co., Ltd. from October 2000 to August 2011, the vice chairman of the board of directors and executive president of our Company from September 2011 to December 2011, the chairman and general manager of our Jiangsu regional branch company from January 2012 to February 2014, the executive president of our Company from March 2014 to October 2015, the executive president of our Company and the chairman and

general manager of our mid-west China regional branch company from November 2015 to June 2017, the chairman and the general manager of our west China regional branch company and a general manager and the senior vice president of Jinke Group Xi'an Municipal Co., Ltd. (金科集團西安城市公司). Mr. Luo has a master's degree.

Mr. WANG Wei (王偉), aged 52, has been a co-president of our Company since February 2021. He previously served as a marketing director of Foshan Oriental Plaza Shopping Center (佛山東方廣場購物中心) and a deputy general manager of Wuhan Gome Electric Appliance Co., Ltd. (武漢國美電器有限公司) from November 2000 to December 2005, the Beijing-Shanghai southwest region general manager, the president and vice president of Red Star Macalline Group Corporation Limited (紅星美凱龍家居股份有限公司) (Stock code: 01528) and the president of Red Star Macalline Holdings Group Co., Ltd. (紅星美凱龍控股集團有限公司) from January 2006 to January 2021. Mr. Wang has a bachelor's degree and an executive master's degree in business administration.

Mr. LI Hua (李華), aged 58, has been the executive vice president of our Company since March 2018 and the chief financial officer of our Company since January 2011. He used to serve as a vice president of our Company from January 2011 to March 2018. In addition, Mr. Li previously held positions as the head of the finance department, head of auditing department, the general manager of the business department and an assistant to the president of China Construction Bank, Fuling branch (中國建設銀行涪陵分行) and the president of China Construction Bank, Fengdu sub-branch of Fuling Branch (中國建設銀行涪陵分行豐都支行). Mr. Li also served as the president of China Merchants Bank, Yuzhong sub-branch of Chongqing branch (招商銀行重慶分行渝中支行), the general manager of the risk control department and the corporate banking department of China Merchants Bank, Chongqing branch (招商銀行重慶分行) and the general manager of the fifth division of the corporate department and the risk management department of China CITIC Bank, Chongqing branch (中信銀行重慶分行). Mr. Li was granted the title of senior economist by the PRC Ministry of Personnel (中華人民共和國人事部). He has a master's degree.

Mr. FANG Mingfu (方明富), aged 48, has been a vice president of our Company since February 2021. He used to be a co-president of our Company from March 2018 to January 2021, a vice president of our Company from January 2017 to March 2018, a special assistant and assistant to the president of our Company from February 2014 to December 2016. He also served as a director, deputy general manager and general manager of the marketing department of our Company. In addition, Mr. Fang previously held positions as the marketing and sales director, a deputy general manager and the general manager of the marketing and positioning center of Wuxi Jinke Real Estate Development Co., Ltd. (無錫金科房地產開發有限公司) from March 2007 to December 2016.

Mr. HUANG Zhongqiang (黃中強), aged 46, has been a vice president of our Company since October 2018. He joined our Company in June 2017 and served as an assistant to the president and the general manager of the cost engineering center of our Company from July 2017 to September 2018. He previously served as an engineering manager and senior project manager of China Overseas Property Management Chengdu Company Limited (成都中海物業管理有限公司), a senior manager and assistant general manager of China Overseas Property Management Western Region Company Limited (西部區域中海物業管理有限公司) from September 2004 to May 2017. Mr. Huang has a bachelor's degree.

Mr. ZHANG Qiang (張強), aged 50, has been a vice president and the secretary to the board of directors of our Company since May 2020. He joined our Company in October 2019. He previously served as an executive director of Shanghai Lvyang Industrial Development Co., Ltd. (上海綠瀛實業發展有限公司) from April 2017 to October 2019, a vice president and the secretary to the board of directors of Beijing Oriental Landscape Ecology Co., Ltd. (北京東方園林生態股份有限公司) from January 2014 to March 2017, the director of the financial advisory division and financing planning division of the investment banking department of Agricultural Bank of China Limited, Head Office (中國農業銀行總行) and the general manager of the Hong Kong Agricultural Bank of China Securities Co., Ltd. (香港農銀證券有限責任公司) from August 2005 to December 2013. Mr. Zhang has a master's degree.

Mr. SONG Ke (宋柯), aged 46, has been a vice president of our Company since February 2021. He previously served as a member of the Leading Party Members' Group and the deputy mayor of Lanzhou People's Government (temporary position) from May 2019 to December 2020, a member of the party committee, the chief risk officer, an assistant to the president and a vice president of China CITIC Bank, Chongqing branch (中信銀行重慶分行) from March 2015 to December 2020, the head of the second branch establishment group of China CITIC Bank, Chongqing branch and the president of China CITIC Bank, Beicheng Tianjie sub-branch of Chongqing branch (中信銀行重慶分行北城天街支行) from July 2008 to May 2015, an assistant to the president of Bank of Communications, Chaotianmen Sub-branch (交通銀行朝天門支行), a deputy president of Bank of Communications, Minzu Road

Branch (交通銀行民族路支行) and Bank of Communications, South City Branch (交通銀行南城支行) from May 2004 to June 2008. Mr. Song has a bachelor's degree.

Board Committees

Audit Committee

Our audit committee consists of three members, comprising Mr. Hu Yuntong, Mr. Zhu Ning and Mr. Zhou Da. The chairman of the audit committee is Mr. Hu Yuntong.

The primary duties of the audit committee are to assist the Board to (i) review and supervise the financial reporting process, internal control and risk management systems of our Company, (ii) nominate and monitor external auditor and provide advice and comments to the Board, and (iii) perform other duties and responsibilities as required by applicable laws, regulations, other regulatory documents and the articles of association of our Company.

Remuneration Committee

Our remuneration committee consists of three members, comprising Mr. Wang Wen, Mr. Zhu Ning and Mr. Zhou Da. The chairman of the remuneration committee is Mr. Wang Wen.

The primary functions of the remuneration committee are to (i) evaluate the performance and make recommendations on the remuneration package of our Company's directors, supervisors and senior management, (ii) evaluate and provide recommendations on our Company's share option schemes, share award scheme, retirement scheme and the performance assessment system and bonus and commission policies, and (iii) perform other duties and responsibilities as required by applicable laws, regulations, other regulatory documents and the articles of association of our Company.

Nomination Committee

Our nomination committee consists of three members, comprising Mr. Zhu Ning, Mr. Wang Wen and Mr. Zhou Da. The chairman of the nomination committee is Mr. Zhu Ning.

The primary functions of the nomination committee are to (i) identify and nominate suitable candidates for our Company's consideration and make recommendation to stand for election by shareholders at annual general meetings, (ii) make recommendations to the Board to fill vacancies on the Board, and (iii) perform other duties and responsibilities as required by applicable laws, regulations, other regulatory documents and the articles of association of our Company.

Strategy Committee

Our strategy committee consists of three members, comprising Mr. Zhou Da, Mr. Wang Wen and Mr. Zhu Ning. The chairman of the strategy committee is Mr. Zhou Da.

The primary functions of the strategy committee are to (i) study the feasibility of our Company's middle to long term development plan and make proposals with respect to such plans and make reports to the Board, and (ii) perform other duties and responsibilities as required by applicable laws, regulations, other regulatory documents and the articles of association of our Company.

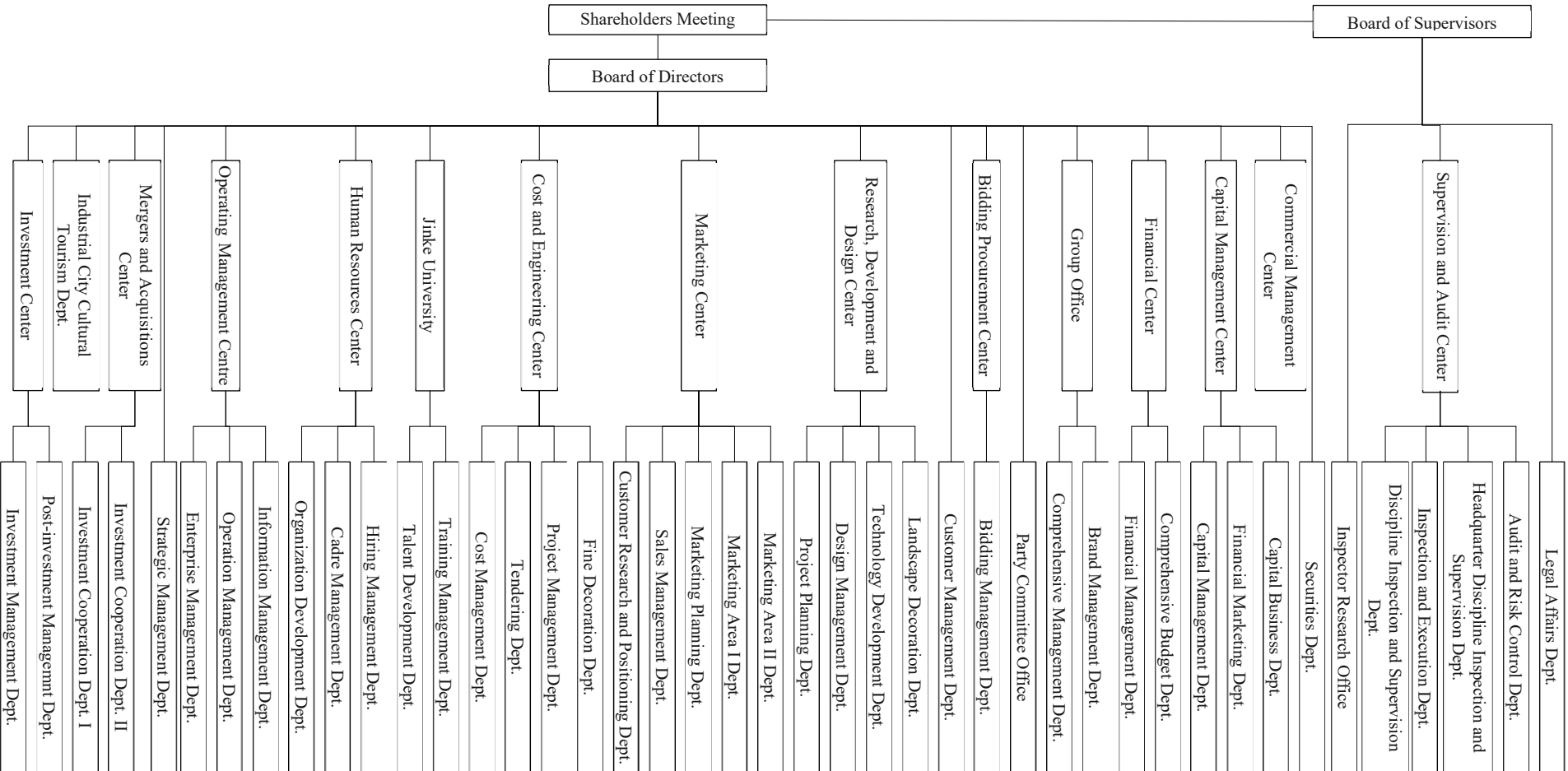
Related-Party Transaction Committee

Our related-party transaction committee consists of three members, comprising Mr. Hu Yuntong, Mr. Wang Wen and Mr. Zhou Da. The chairman of the nomination committee is Mr. Hu Yuntong.

The primary functions of the related-party transactions committee are to (i) review the material related-party transactions in accordance with the relevant rules of the PRC Company Law, PRC Securities Law, the Listing Rules of the Shenzhen Stock Exchange and the Management Policy of Related-Party Transactions of our Company to make sure the Company is strictly in compliance with the relevant laws, rules and regulations and the related-party transactions are arm's length transactions and that such transactions are not in conflict with the interests of minority shareholders and (ii) perform other duties and responsibilities as required by applicable laws, regulations, other regulatory documents and the articles of association of our Company.

Our Organization Structure

The following chart sets forth our organization structure as of December 31, 2020:



Directors' Compensation

Our directors, supervisors and senior management receive, in their capacity as our employees, compensation in the form of salaries and other allowances and benefits in kind. We do not pay allowances to our directors and supervisors except to our independent directors as approved by resolutions passed at shareholders' meetings.

For the year ended December 31, 2020, the aggregate amount of salaries and other allowance and benefits in kind after tax paid to our directors, supervisors and senior management, in their capacity as our employees and independent directors, was approximately RMB105.7 million (US\$16.2 million).

Directors' Interests

As of December 31, 2020, the interests of our directors in our issued share capital were as follows:

<u>Name</u>	<u>Capacity</u>	<u>Number of shares of our Company</u>	<u>Approximate shareholding percentage (%)</u>
Zhou Da	Beneficial owner	1,052,500	0.02
Wang Hongfei.....	Beneficial owner	3,150,000	0.06
Yang Chengjun	Beneficial owner	650,000	0.01
Chen Gang	Beneficial owner	765,000	0.01

PRINCIPAL SHAREHOLDERS

The table below sets forth shareholding information on our shareholders as of December 31, 2020:

Name of shareholders	Approximate percentage of share capital (%)	Number of shares held
Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司).....	14.2	758,506,065
Guangdong Hongmin Enterprise Management Consulting Co., Ltd (廣東弘敏企業管理諮詢有限公司)	11.0	587,368,740
Mr. Huang Hongyun (黃紅雲先生)	11.0	586,487,279
Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司)	4.3	231,652,188
Jinke Property Group Co., Ltd. – No.1 Employee Stock Ownership Plan 金科地產集團股份有限公司 – 第一期員工持股計劃	4.1	221,131,214
Tianjin Jujin Property Management Co., Ltd. (天津聚金物業管理有限公司)	3.9	206,741,147
Sunshine Insurance Group Co., Ltd. – Participating Product (陽光人壽保險股份有限公司 分紅保險產品)	2.6	137,500,000
Ms. Tao Hongxia (陶虹遐女士)	2.5	132,936,714
Sunshine Insurance Group Co., Ltd. – Universal Life Product (陽光人壽保險股份有限公司 萬能保險產品)	2.4	128,020,000
Ms. Huang Sishi (黃斯詩女士)	2.3	123,585,610
Total	58.3	3,113,928,957

RELATED PARTY TRANSACTIONS

We currently engage in, and expect from time to time in the future to engage in, financial and commercial transactions with our subsidiaries, associates, and shareholders. All such transactions are conducted on an arm's length and commercial basis and in accordance with the applicable laws and rules.

See Note X to the consolidated financial statements as of and for the years ended December 31, 2019 and 2020, included elsewhere in this offering memorandum, for more details.

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

To fund our existing property projects and to finance our working capital requirements, we have entered into loan and other financing agreements with banks and other financial institutions in China. As of December 31, 2018, 2019 and 2020, our total outstanding indebtedness (comprising short-term and long-term borrowings⁶², non-current liabilities due within one year⁶³, long-term payables, bonds payable and perpetual bonds⁶⁴) was RMB83,739.3 million, RMB99,562.1 million and RMB99,805.5 million (US\$15,295.9 million), respectively. Set forth below is a summary of the material terms and conditions of these loans and other material indebtedness.

Bank Credit Facilities

We and certain of our PRC subsidiaries have entered into loan agreements with local branches of various PRC banks, including but not limited to, Industrial and Commercial Bank of China Limited, China CITIC Bank and China Minsheng Bank Corp. Ltd. These loans are mainly used to finance our business and our working capital requirements. As of December 31, 2020, the aggregate outstanding amount under these loans amounted to approximately RMB51.9 billion (US\$8.0 billion). Our bank loans are primarily secured by our fixed assets and shares of certain subsidiaries. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingencies.”

Interest

The principal amounts outstanding under our PRC bank loans generally bear interest at floating rates calculated with reference to PBOC benchmark interest rate. Floating interest rates are generally subject to annual or quarterly review by the lending banks. Interest payments are payable either monthly or quarterly and must be made on each payment date as provided in the particular loan agreement.

Covenants

Under these PRC loans with banks, many of our subsidiary borrowers have agreed, among other things, not to take some of the following actions without obtaining the relevant lender’s prior consent:

- creating encumbrances on any part of their property or assets or dealing with their assets in a way that may adversely affect their ability to repay their loans;
- granting guarantees to any third parties that may adversely affect their ability to repay their loans;
- making any major changes to their corporate structures, such as entering into joint ventures, mergers, acquisitions and reorganizations;
- altering the nature or scope of their business operations in any material respect;
- transferring part or all of their liabilities under the loans to a third party;
- declaring or paying dividends;
- selling or disposing of assets that may adversely affect their ability to repay their loans; and
- incurring other indebtedness that may adversely affect their ability to repay their loans.

Events of Default

The PRC loan agreements with banks contain certain customary events of default, including failure to pay the amount payable on the due date, unauthorized use of loan proceeds, failure to obtain the lender’s approval for an act that requires the latter’s approval and material breach of the terms of the loan agreement. The banks are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest upon the occurrence of an event of default.

⁶² Short-term borrowings as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to the interest accrued as of the respective dates.

⁶³ Non-current liabilities due within one year as of December 31, 2018, 2019 and 2020, included here, exclude the amounts relating to our restricted stock repurchase obligation and the interest accrued as of the respective dates.

⁶⁴ Perpetual bonds are recorded under the line item “other equity instruments” in our consolidated balance sheets.

Guarantee and Security

We and certain of our PRC subsidiaries have entered into guarantee agreements with PRC banks and financial institutions in connection with some of the PRC loans, pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these loans. Further, as of December 31, 2020, RMB75.4 billion (US\$11.6 billion) of the PRC loans were secured, including by shares, fixed assets, accounts receivable and properties held by us, our subsidiary borrowers and/or our other PRC subsidiaries.

Dividend Restrictions

Pursuant to the loan agreements with certain PRC banks, several of our PRC subsidiaries, also agreed not to distribute any dividend:

- before the principal amount of and accrued interest on the relevant loans have been fully paid;
- before the notice has been made and the written approval has been obtained (if it is considered that it may have a material adverse effect on the performance of the loan contract);
- before written approval has been obtained from the lender; or
- if after-tax net profit is zero or negative or is insufficient to meet cumulative losses in prior years or if pre-tax net profit has not been used to repay principal interest and costs on the relevant loan due in the same year or is insufficient to repay principal, interest and costs on the relevant loan due on the next payment date.

Customer Guarantees

In line with industry practice, we provide guarantees to mortgagee banks in respect of mortgage loans taken out by purchasers of our properties. Such guarantee obligations typically terminate upon the delivery of the relevant property ownership certificates for purchasers of our properties on the underlying property to the bank. As of December 31, 2020, we had outstanding guarantees for mortgage loans of our purchasers in the amount of RMB38.7 billion (US\$5.9 billion).

Domestic Debt Securities

2020 Medium Term Note Program

On June 28, 2020, we obtained the approval from National Association of Financial Market Institutional Investors in China to register our RMB1,000.0 million domestic medium term note program (the “**2020 MTN Program**”). On July 28, 2020, we issued RMB1,000.0 million notes under the 2020 MTN Program (the “**2020 MTN001 Notes**”). The 2020 MTN001 Notes has a term of four years and coupon rate of 5.58% for the first two years after issuance. On August 25, 2020, we issued RMB1,000.0 million notes under the 2020 MTN Program (the “**2020 MTN002 Notes**”). The 2020 MTN002 Notes has a term of four years and coupon rate of 5.48% for the first two years after issuance.

2021 Medium Term Note Program

On June 28, 2020, we obtained the approval from National Association of Financial Market Institutional Investors in China to register our RMB1,000.0 million domestic medium term note program (the “**2021 MTN Program**”). On March 31, 2021, we issued RMB500.0 million notes under the 2021 MTN Program (the “**2021 MTN Notes**”). The 2021 MTN Notes has a term of four years and coupon rate of 6.3% for the first two years after issuance.

2018 Asset-backed Notes Program

On March 22, 2018, we obtained the approval from National Association of Financial Market Institutional Investors in China to register our RMB1,600.0 million domestic asset-backed notes program (the “**2018 ABN Program**”). On June 5, 2018, we issued RMB1,500.0 million senior notes under the 2018 ABN Program (the “**2018 ABN Senior Notes**”). The 2018 ABN Senior Notes has a term of six years and coupon rate of 7.00% for the first three years after issuance. On June 5, 2018, we issued RMB100.0 million subordinate notes under the 2018 ABN Program (the “**2018 ABN Subordinate Notes**”). The 2019 ABN Subordinate Notes has a term of six years and no coupon rate for the first three years after issuance.

Domestic Corporate Bonds

As of the date of this offering memorandum, we had nine domestic corporate bonds with a principal amount of RMB12,110.0 million.

2018 Jinke 01 Corporate Bonds

On February 8, 2018, we issued RMB1,970.0 million of domestic public corporate bonds for a term of four years as approved by Shenzhen Stock Exchange. The 2018 Jinke 01 Corporate Bonds has a fixed coupon rate of 7.20% for the first two years after issuance. The 2018 Jinke 01 Corporate Bonds are listed on Shenzhen Stock Exchange.

2018 Jinke 02 Corporate Bonds

On February 8, 2018, we issued RMB1,610.0 million of domestic public corporate bonds for a term of five years as approved by Shenzhen Stock Exchange. The 2018 Jinke 02 Corporate Bonds has a fixed coupon rate of 7.50% for the first three years after issuance. The 2018 Jinke 02 Corporate Bonds are listed on Shenzhen Stock Exchange.

2019 Jinke Corporate Bonds

On July 4, 2019, we issued RMB1,580.0 million of domestic public corporate bonds for a term of three years as approved by Shenzhen Stock Exchange. The 2019 Jinke Corporate Bonds has a fixed coupon rate of 6.50% for the first two years after issuance. The 2019 Jinke Corporate Bonds are listed on Shenzhen Stock Exchange.

2020 Jinke 01 Corporate Bonds

On February 20, 2020, we issued RMB1,900.0 million of domestic public corporate bonds for a term of three years as approved by Shenzhen Stock Exchange. The 2020 Jinke 01 Corporate Bonds has a fixed coupon rate of 6.00% for the first two years after issuance. The 2020 Jinke 01 Corporate Bonds are listed on Shenzhen Stock Exchange.

2020 Jinke 02 Corporate Bonds

On February 20, 2020, we issued RMB400.0 million of domestic public corporate bonds for a term of five years as approved by Shenzhen Stock Exchange. The 2020 Jinke 02 Corporate Bonds has a fixed coupon rate of 6.30% for the first three years after issuance. The 2020 Jinke 02 Corporate Bonds are listed on Shenzhen Stock Exchange.

2020 Jinke 03 Corporate Bonds

On May 28, 2020, we issued RMB1,250.0 million of domestic public corporate bonds for a term of four years as approved by Shenzhen Stock Exchange. The 2020 Jinke 03 Corporate Bonds has a fixed coupon rate of 5.00% for the first two years after issuance. The 2020 Jinke 03 Corporate Bonds are listed on Shenzhen Stock Exchange.

2020 Jinke 04 Corporate Bonds

On May 28, 2020, we issued RMB450.0 million of domestic public corporate bonds for a term of five years as approved by Shenzhen Stock Exchange. The 2020 Jinke 04 Corporate Bonds has a fixed coupon rate of 5.60% for the first three years after issuance. The 2020 Jinke 04 Corporate Bonds are listed on Shenzhen Stock Exchange.

2021 Jinke 01 Corporate Bonds

On January 28, 2021, we issued RMB750.0 million of domestic public corporate bonds for a term of four years as approved by Shenzhen Stock Exchange. The 2020 Jinke 01 Corporate Bonds has a fixed coupon rate of 6.20% for the first two years after issuance. The 2020 Jinke 01 Corporate Bonds are listed on Shenzhen Stock Exchange.

2021 Jinke 03 Corporate Bonds

On March 4, 2021, we issued RMB2.2 billion of domestic public corporate bonds for a term of four years as approved by Shenzhen Stock Exchange. The 2020 Jinke 03 Corporate Bonds has a fixed coupon rate of 6.30% for the first two years after issuance. The 2020 Jinke 03 Corporate Bonds are listed on Shenzhen Stock Exchange.

Asset-backed Securities

Jinke Senior 01 Asset-backed Securities

On April 28, 2020, we issued RMB1,000.0 million of non-public asset-backed securities for a term of two years with a coupon rate of 5.86% as approved by Shenzhen Stock Exchange. The Jinke Senior 01 Asset-backed Securities are listed on Shenzhen Stock Exchange.

Jinke Junior 01 Asset-backed Securities

On April 28, 2020, we issued RMB60.0 million of non-public asset-backed securities for a term of two years with no coupon rate as approved by Shenzhen Stock Exchange. The Jinke Junior 01 Asset-backed Securities are listed on Shenzhen Stock Exchange.

Jinke Senior 02 Asset-backed Securities

On December 8, 2020, we issued RMB1,050.0 million of non-public asset-backed securities for a term of two years with a coupon rate of 6.50% as approved by Shenzhen Stock Exchange. The Jinke Senior 02 Asset-backed Securities are listed on Shenzhen Stock Exchange.

Jinke Junior 02 Asset-backed Securities

On December 8, 2020, we issued RMB60.0 million of non-public asset-backed securities for a term of two years with no coupon rate as approved by Shenzhen Stock Exchange. The Jinke Junior 02 Asset-backed Securities are listed on Shenzhen Stock Exchange.

Commercial Mortgage-backed Securities

2021 Commercial Mortgage-backed Securities

In April 2021, we issued RMB1,685.0 million of non-public commercial mortgage-backed securities for a term of 3+3+3+3+3+3 years with an initial coupon rate of 6.00% as approved by Shenzhen Stock Exchange. The 2021 Commercial Mortgage-backed Securities are listed on Shenzhen Stock Exchange.

Super and Short-term Commercial Paper

2021 Jinke Property 002 Super Short-term Commercial Paper

On April 9, 2021, we issued RMB800.0 million of domestic public super short-term commercial paper for a term of 260 days with a coupon rate of 5.90%. The 2021 Jinke Property 002 Super Short-term Commercial Paper is listed on the interbank market.

2021 Jinke Property 001 Super Short-term Commercial Paper

On January 7, 2021, we issued RMB1,000.0 million of domestic public super short-term commercial paper for a term of 260 days with a coupon rate of 5.40%. The 2021 Jinke Property 001 Super Short-term Commercial Paper is listed on the interbank market.

Offshore Debt Securities

June 2019 Notes

On June 20, 2019, we entered into an indenture (as amended or supplemented from time to time, the “**June 2019 Indenture**”) and issued an aggregate principal amount of US\$300,000,000 on the same date. As of the date of this offering memorandum, a total of US\$300,000,000 principal amount of the June 2019 Notes is outstanding.

Guarantee

The obligations pursuant to the June 2019 Notes will be guaranteed by our restricted subsidiaries (the “**June 2019 Subsidiary Guarantors**”). Each of the June 2019 Subsidiary Guarantors (if any) will, jointly and severally, guarantee the due and punctual payment of the principal of, any premium (if any) and interest on, and all other amounts payable, under the June 2019 Notes.

Interest and Maturity

The June 2019 Notes bear an interest rate of 8.375% per annum, payable semi-annually in arrear on June 20 and December 20 of each year, commencing December 20, 2019. The maturity date of the June 2019 Notes is June 20, 2021.

Covenants

Subject to certain conditions and exceptions, the June 2019 Indenture and each of the relevant subsidiary guarantees (if any) and the JV subsidiary guarantees (if any) contain certain covenants, restricting us and each of the relevant restricted subsidiaries from, among other things:

- incurring or guaranteeing additional indebtedness and issuing disqualified or preferred stock;
- declaring dividends on its capital stock or purchasing or redeeming capital stock;
- making investments or other specified restricted payments;
- issuing or selling capital stock of the related restricted subsidiaries;
- guaranteeing indebtedness of the related restricted subsidiaries;
- selling assets;
- creating liens;
- entering into sale and leaseback transactions;
- entering into agreements that restrict the related restricted subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans;
- entering into transactions with shareholders or affiliates;
- engaging in any business other than certain permitted businesses; and
- effecting a consolidation or merger.

Events of Default

The June 2019 Indenture contains certain customary events of default, including default in the payment of principal of (or any premium on) the June 2019 Notes when such payments become due, default in payment of interest which continues for 30 days and other events of default.

If an event of default occurs and is continuing, the trustee under the June 2019 Indenture or the holders of at least 25% in aggregate principal amount of the June 2019 Notes then outstanding may declare the principal of the June 2019 Notes plus a premium and any accrued and unpaid interest to be immediately due and payable.

Change of Control

Upon the occurrence of certain events of change of control and a rating decline, we are required to make an offer to repurchase all outstanding June 2019 Notes at a purchase price equal to 101% of their principal amount plus any accrued and unpaid interest.

Maturity and Redemption

The maturity date of the June 2019 Notes is June 20, 2021.

On or prior to June 20, 2021, we may redeem the June 2019 Notes, in whole or in part, at a redemption price equal to 100.0% of the principal amount of the June 2019 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date. At any time prior to maturity, we may at our option redeem up to 35% of the June 2019 Notes at a redemption price of 108.375% of the principal amount of the June 2019 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date in each case, using the net cash proceeds from sales of certain kinds of common stock of the Issuer.

In addition, we may redeem the June 2019 Notes, in whole but not in part, at any time prior to June 20, 2021, at a price equal to 100% of the principal amount of the June 2019 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

Perpetual Bonds

We have issued certain perpetual bonds with no maturity dates and the distribution payments can be deferred at our discretion. Therefore, the perpetual bonds are classified as equity instruments and recorded under the line item “other equity instruments” in our consolidated balance sheets. When we elect to declare dividends to our shareholders, we shall make distributions to the holders of the perpetual bonds at the distribution rates as defined in the relevant agreements.

2015 Perpetual Bonds

In 2015, we issued perpetual bonds to Minsheng Royal Asset Management Co., Ltd. (民生加銀資產管理有限公司) in the amount of RMB1,400.0 million (the “**2015 Perpetual Bonds**”). As of December 31, 2020, there was no outstanding amount under the 2015 Perpetual Bonds.

2016 Perpetual Bonds

In 2016, we issued perpetual bonds to China Securities Co., Ltd. (中信建投證券股份有限公司) in the amount of RMB1,700.0 million (the “**2016 Perpetual Bonds**”). As of December 31, 2020, there was no outstanding amount under the 2016 Perpetual Bonds.

2019 Perpetual Bonds

In 2019, we issued perpetual bonds to Hubei Province Asset Management Co., Ltd. (湖北省資產管理有限公司) in the amount of RMB800.0 million (the “**2019 Perpetual Bonds**”). As of December 31, 2020, the outstanding amount of the 2019 Perpetual Bonds was RMB800.0 million.

2020 Perpetual Bonds

In 2020, we issued perpetual bonds to Bridge Trust Co., Ltd. (百瑞信託有限責任公司) in the amount of RMB1,342.0 million (the “**2020 Perpetual Bonds**”). As of December 31, 2020, the outstanding amount of the 2020 Perpetual Bonds was RMB1,342.0 million.

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” and the term “Company” refers only to Jinke Property Group Co., Limited) (金科地產集團股份有限公司) and not to any of its Subsidiaries. Each Subsidiary of the Company that in the future Guarantees the Notes other than a JV Subsidiary Guarantor (as defined below) is referred to as a “Subsidiary Guarantor,” and each such Guarantee is referred to as a “Subsidiary Guarantee.” Each Subsidiary of the Company that in the future provides a JV Subsidiary Guarantee (as defined below) is referred to as a “JV Subsidiary Guarantor.”

The Notes are to be issued under an indenture (the “**Indenture**”), to be dated as of the Original Issue Date, among the Company and Citicorp International Limited, as trustee (the “**Trustee**”).

The following is a summary of the material provisions of the Indenture, the Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any). This summary does not purport to be complete, and is subject to, and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any). It does not restate those documents in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available (upon reasonable advance notice being given to the Trustee) for inspection on or after the Original Issue Date during normal business hours at the corporate trust office of the Trustee at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

Brief Description of the Notes

The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with the Existing Notes and all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described below under the caption “– The Subsidiary Guarantees and the JV Subsidiary Guarantees” and in “Risk Factors – Risks Relating to the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees”;
- effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below).

The Notes will mature on May 28, 2024, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at 6.85% per annum from and including the Original Issue Date or from and including the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on May 28 and November 28 of each year (each an “Interest Payment Date”), commencing November 28, 2021. Interest on the Notes will be paid to Holders of record at the close of business on May 13 or November 13 immediately preceding an Interest Payment Date (each, a “Record Date”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Except as described under “Optional Redemption,” “Redemption for Taxation Reasons” and otherwise *provided* in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day, then payment of such principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due and no interest on the Notes shall accrue in respect of such delay.

The Indenture allows additional Notes to be issued from time to time (the “Additional Notes”), subject to certain limitations described under “–Further Issues.” Unless the context requires otherwise, references to the “Notes” for all purposes of the Indenture and this “Description of the Notes” include any Additional Notes that are actually issued.

The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at Citibank, N.A., London Branch, c/o Citibank N.A., Dublin Branch, One North Wall Quay, Dublin 1, Ireland) by wire transfer of immediately available funds to the account specified by the Holder thereof and the Notes may be presented for registration of transfer or exchange at such office or agency. Interest payable on the Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants (as defined herein) on the Business Day following payment thereof. Notwithstanding the foregoing, so long as the Notes are represented by a global note held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Notes will be made to the person shown as the Holder in the Note register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except December 25 and January 1.

The Subsidiary Guarantees and the JV Subsidiary Guarantees

There will be no initial Subsidiary Guarantors on the Original Issue Date.

The Company will cause each of its future Restricted Subsidiaries (other than Persons organized under the laws of the PRC, Exempted Subsidiaries and the Finance Subsidiaries), as soon as practicable after such Person becomes a Restricted Subsidiary, and each Exempted Subsidiary that ceases to be an Exempted Subsidiary, as soon as practicable after it ceases to be an Exempted Subsidiary, and each Finance Subsidiary that ceases to be a Finance Subsidiary, as soon as practicable after it ceases to be a Finance Subsidiary, as the case may be, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such entity will Guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor. Notwithstanding the foregoing sentence, the Company may elect to have (i) any future Restricted Subsidiary organized under laws outside the PRC, at the time such entity becomes a Restricted Subsidiary, (ii) any Exempted Subsidiary, at the time that such entity ceases to be a Exempted Subsidiary, or (iii) any Finance Subsidiary, at the time such entity ceases to be a Finance Subsidiary, in each case not provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (Restricted Subsidiaries that are so elected not to provide Subsidiary Guarantee or JV Subsidiary Guarantee and the Initial Non-Guarantor Subsidiaries, the “Other Non-Guarantor Subsidiaries”); *provided* that, at the time such entity becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Finance Subsidiary, as the case may be, after giving effect to the consolidated assets of such entity, the Consolidated Assets of all Other Non-Guarantor Subsidiaries do not account for more than 20% of the Total Assets.

The Other Non-Guarantor Subsidiaries, together with Restricted Subsidiaries organized under the laws of the PRC, the Exempted Subsidiaries and the Finance Subsidiaries, are referred to herein as the “Non-Guarantor Subsidiaries.”

None of the existing or future Restricted Subsidiaries organized under the laws of the PRC will provide a Subsidiary Guarantee or JV Subsidiary Guarantee at any time in the future. None of the existing or future Exempted Subsidiaries or Finance Subsidiaries (for so long as they maintain the relevant status) will provide a Subsidiary Guarantee or JV Subsidiary Guarantee at any time in the future.

In the case of a Restricted Subsidiary (i) that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established or acquired after the Original Issue Date, (ii) that is not a Non-Guarantor Subsidiary and (iii) in respect of which the Company or any of its Restricted Subsidiaries (x) is proposing to sell, whether

through the sale of existing Capital Stock or the issuance of new Capital Stock, no less than 20% of the Capital Stock of such Restricted Subsidiary or (y) is proposing to purchase no less than 50% and no more than 80% of the Capital Stock of an entity and designate such entity as a Restricted Subsidiary, the Company may, concurrently with the consummation of such sale or purchase, provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee for (a) such Restricted Subsidiary and (b) the Restricted Subsidiaries of such Restricted Subsidiary that are not Non-Guarantor Subsidiaries, if the following conditions, in the case of both (a) and (b), are satisfied:

- as of the date of execution of the JV Subsidiary Guarantee, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee or (b) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in place a Guarantee on terms that are more favorable to the recipients of such Guarantee than the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock is made to, or such purchase of Capital Stock is purchased from, an Independent Third Party at a consideration that is not less than (in the case of a sale or issuance) or no more than (in the case of a purchase) the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company; *provided* that, no such appraisal is required if the sale, issuance or purchase of Capital Stock is made within 180 days after land use rights are acquired by such JV Subsidiary Guarantor or any Restricted Subsidiary of such JV Subsidiary Guarantor;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock or purchase of Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;
- concurrently with providing the JV Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed Guarantee of such JV Subsidiary Guarantor (the “JV Subsidiary Guarantee”) and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC (other than the Exempted Subsidiaries), and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees *provided* by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;
 - (ii) an Officers’ Certificate certifying a copy of the Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iii) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantees are valid, binding and enforceable against the JV Subsidiary Guarantors providing such JV Subsidiary Guarantees (subject to customary qualifications and assumptions).

As of December 31, 2020, the Company and its consolidated subsidiaries had total outstanding indebtedness (comprising short-term and long-term borrowings, non-current liabilities due within one year, long-term payables, bonds payable and perpetual bonds) of approximately RMB99,805.5 million (US\$15,295.9 million), of which approximately RMB75,677.5 million (US\$11,598.1 million) was secured Indebtedness of the Company.

If any is *provided*, the Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;

- is effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- ranks at least *pari passu* with the Existing Notes and all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law); and
- is effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

If any is *provided*, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor:

- will be a general obligation of such JV Subsidiary Guarantor;
- will, together with all the JV Subsidiary Guarantees *provided* by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be enforceable only up to the JV Entitlement Amount;
- will be effectively subordinated to the secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and
- will rank at least *pari passu* with the Existing Notes and all other unsecured and unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured and unsubordinated Indebtedness pursuant to applicable law).

Although the Indenture contains limitations on the amount of additional Indebtedness that Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

The JV Subsidiary Guarantee of each JV Subsidiary Guarantor (if any) will not be secured.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will jointly and severally Guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture; *provided* that, any JV Subsidiary Guarantee, together with all the JV Subsidiary Guarantees *provided* by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, will be limited to the JV Entitlement Amount. The Subsidiary Guarantors and JV Subsidiary Guarantors (if any) will (1) agree that their respective obligations under the Subsidiary Guarantees and JV Subsidiary Guarantees, as the case may be, will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be. Moreover, if at any time any amount paid under a Note, or the Indenture is rescinded or must otherwise be repaid or restored, the rights of the Holders under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, will be reinstated with respect to such payment as though such payment had not been made. All payments under the Subsidiary Guarantees and the JV Subsidiary Guarantees, as the case may be, are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable,

- each Subsidiary Guarantee (if any) will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally; and

- each JV Subsidiary Guarantee (if any) will, together with all the JV Subsidiary Guarantees *provided* by the Subsidiaries and shareholders of such JV Subsidiary Guarantor, in the aggregate, be limited to an amount which is the lower of (i) the JV Entitlement Amount and (ii) an amount not to exceed the maximum amount that can be guaranteed by the applicable JV Subsidiary Guarantor without rendering the JV Subsidiary Guarantee, as it relates to such JV Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If a Subsidiary Guarantee or JV Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee or a JV Subsidiary Guarantor's liability on its JV Subsidiary Guarantee, as the case may be, could in each case be reduced to zero.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee (if any) may be limited, or possibly invalid, under applicable laws. Similarly, the obligations of each JV Subsidiary Guarantor under its JV Subsidiary Guarantee (if any) may be limited, or possibly invalid, under applicable laws. See Risk Factors – Risks Relating to the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees – “The Subsidiary Guarantees and JV Subsidiary Guarantees, if any, may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees and JV Subsidiary Guarantees, if any.”

Release of the Subsidiary Guarantees or JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor (if any) and a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor (if any) may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under “– Defeasance – Defeasance and Discharge;”
- upon the designation by the Company of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale, merger or disposition of a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, in compliance with the terms of the Indenture (including the covenants described under the captions “– Certain Covenants – Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “– Certain Covenants – Limitation on Asset Sales” and “– Consolidation, Merger and Sale of Assets”) resulting in such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale, merger or disposition are used for the purposes permitted or required by the Indenture;
- upon a Subsidiary Guarantor or a JV Subsidiary Guarantor becoming an Exempted Subsidiary or a Finance Subsidiary;
- in the case of a Subsidiary Guarantee, upon the replacement of a Subsidiary Guarantee with a JV Subsidiary Guarantee; or
- in the case of a Subsidiary Guarantor that becomes an Other Non-Guarantor Subsidiary, in compliance with the terms of the Indenture.

In the case of a Subsidiary Guarantor (if any) with respect to which the Company or any of its Restricted Subsidiaries is proposing to sell or has sold, whether through the sale of existing Capital Stock or the issuance of new Capital Stock, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with or after the consummation of such sale or issuance of Capital Stock, request the Trustee to release the Subsidiary Guarantees *provided* by such Subsidiary Guarantor and each of its Restricted Subsidiaries organized under laws outside the PRC, and upon such release such Subsidiary Guarantor and its Restricted Subsidiaries organized under laws outside the PRC will become Other Non-Guarantor Subsidiaries (such that each Other Non-Guarantor Subsidiary will no longer Guarantee the Notes), without any requirement to seek the consent

or approval of the Holders of the Notes, *provided* that, after the release of such Subsidiary Guarantees, the Consolidated Assets of all Restricted Subsidiaries organized under laws outside the PRC (other than the Exempted Subsidiaries) that are neither Subsidiary Guarantors nor JV Subsidiary Guarantors do not account for more than 20% of the Total Assets. A Subsidiary Guarantee of a Subsidiary Guarantor or a JV Subsidiary Guarantee of a JV Subsidiary Guarantor may only be released pursuant to this paragraph if as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (x) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee or such JV Subsidiary Guarantee or (y) requiring the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor to deliver or keep in place a Guarantee of other Indebtedness of the Company by such Subsidiary Guarantor or such JV Subsidiary Guarantor.

The Trustee shall comply with a request referred to above if the conditions precedent to such release set forth in the Indenture have been complied with, as evidenced by an Officers' Certificate from the Company to that effect, and the Trustee shall take all actions necessary to effect and evidence such release in accordance with the terms of the Indenture.

Replacement of Subsidiary Guarantees with JV Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor (if any) may be released following the sale or issuance by the Company or any of its Restricted Subsidiaries of Capital Stock in (a) such Subsidiary Guarantor or (b) any other Subsidiary Guarantor that, directly or indirectly, owns a majority of the Capital Stock of such Subsidiary Guarantor, in each case where such sale or issuance, whether through the sale of existing shares or the issuance of new shares, is for no less than 20% and no more than 49.9% of the issued Capital Stock of the relevant Subsidiary Guarantor, *provided* that the following conditions are satisfied or complied with:

- as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee, (b) prohibiting the Company or any of the Restricted Subsidiaries from providing a JV Subsidiary Guarantee, or (c) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in force a replacement guarantee on terms that are more favorable to the recipients of such guarantee than the JV Subsidiary Guarantee;
- such sale or issuance of Capital Stock has been made to an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company; *provided* that, no such appraisal is required if the sale or issuance of Capital Stock is made within 180 days after land use rights are acquired by such Subsidiary Guarantor or any Restricted Subsidiary of such Subsidiary Guarantor;
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company;
- concurrently with the release of such Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC (other than the Exempted Subsidiaries) and (B) a duly executed supplemental indenture to the Indenture pursuant to which such JV Subsidiary Guarantor will Guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees *provided* by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the JV Entitlement Amount;

- (ii) an Officers' Certificate certifying a copy of a Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
- (iii) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantee is valid, binding and enforceable against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

Notwithstanding the foregoing paragraph, any such sale or issuance of the Capital Stock of the relevant Subsidiary Guarantor (including where such sale results in the relevant Subsidiary Guarantor ceasing to be a Restricted Subsidiary) will need to comply with the other covenants set forth in the Indenture, including, without limitation, the "Limitation on Asset Sales" and "Limitation on Restricted Payments" covenants.

Any Net Cash Proceeds from the sale or issuance of such Capital Stock shall be applied by the Company (or any Restricted Subsidiary) in accordance with the "Limitation on Asset Sales" covenant.

As of the date of the Indenture, all of the Company's Subsidiaries will be "Restricted Subsidiaries."

Under the circumstances described below under the caption "–Certain Covenants–Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not Guarantee the Notes.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them, the timing for complying with NDRC post issue filing and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that (x) the issuance of any such Additional Notes shall then be permitted under the "Limitation on Indebtedness and Preferred Stock" covenant described below; (y) the Company shall comply with its undertakings in connection with the SAFE registration described under "– Certain Covenants – Government Approvals and Licenses; Compliance with Law" with respect to the Additional Notes and the "Original Issue Date" as used therein shall be deemed to mean the original issue date of the Additional Notes or, if the Company so elects, the Original Issue Date; and (z) if such Additional Notes are issued at a time when the SAFE Completion Event with respect to both the Notes and the Additional Notes shall not have occurred, at the election of the Company, the Notes and the Additional Notes shall have the identical ISIN and Common Code.

In the case that clause (z) in the preceding paragraph do not apply and prior to the time such tranche of Additional Notes may be consolidated to form a single series with the previously outstanding Notes, such tranche of Additional Notes shall have a temporary ISIN and Common Code and be represented by a temporary global note substantially in the form set out in this Indenture (the "Temporary Global Note"), which shall bear a legend as set forth below:

"THIS IS A TEMPORARY GLOBAL NOTE. THIS TEMPORARY GLOBAL NOTE MAY BE EXCHANGED BY THE TRUSTEE, UPON RECEIPT OF EVIDENCE OF THE OCCURRENCE OF THE SAFE COMPLETION EVENT WITH RESPECT TO SUCH ADDITIONAL NOTES, FOR A PERMANENT GLOBAL NOTE PURSUANT TO THE INDENTURE."

The Trustee shall, upon receipt of evidence of the occurrence of the SAFE Completion Event with respect to such Additional Notes and an Officers' Certificate directing the Trustee to authenticate and deliver such Additional Notes, and without the consent of to the Holders, exchange the Temporary Global Note for a permanent Global Note (the "Permanent Global Note") substantially in the form set out in this Indenture, except for the first Interest Payment Date and issue date, which shall have the same ISIN and Common Code as the previously outstanding Notes. Any Subsidiary Guarantee (if any) or JV Subsidiary Guarantee (if any) endorsed on the Temporary Global Note shall, upon such exchange, be endorsed on the Permanent Global Note.

Optional Redemption

At any time and from time to time prior to May 28, 2024, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor the Paying Agent is responsible for calculating or verifying the Applicable Premium.

At any time and from time to time prior to May 28, 2024, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of the Common Stock of the Company in an Equity Offering at a redemption price of 106.85% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes (including any Additional Notes) originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Selection and Notice

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption to the Holders and the Trustee. If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:

- (1) if the Notes are listed on any recognized securities exchange or are held through a clearing system, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed (if any) or the requirements of the clearing system; or
- (2) if the Notes are not listed on any recognized securities exchange or held through any clearing system, on a *pro rata* basis (with adjustments to prevent fractional Notes).

A Note of US\$200,000 in principal amount or less shall not be redeemed in part and only Notes in multiples of US\$1,000 in excess thereof may be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. With respect to any definitive Note in certificated form, a new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on the Notes or portions of them called for redemption.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, the Company will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the failure of the Company to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control Triggering Event under the Notes may also constitute an event of default under certain debt instruments of the Company and its Subsidiaries. Future Indebtedness of the Company may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require repurchase of such Indebtedness upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company. The ability of the Company to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Company's and the Subsidiary Guarantors' (if any) then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors – Risks Relating to the Notes – We may not be able to repurchase the Notes upon a Change of Control Triggering Event."

The phrase “all or substantially all”, as used with respect to the assets of the Company in the definition of “Change of Control,” will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of “all or substantially all” the assets of the Company has occurred.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the same manner within the same timeframe and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “–Consolidation, Merger and Sale of Assets”) or an applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a “Relevant Jurisdiction”), or the jurisdiction through which payments are made or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a “Taxing Jurisdiction”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

- (1) for or on account of:
 - (a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
 - (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Taxing Jurisdiction, other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee or JV Subsidiary Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
 - (ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly *provided* for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

- (iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person, any Subsidiary Guarantor or any JV Subsidiary Guarantor, addressed to the Holder, to provide information concerning such Holder's or its beneficial owner's nationality, residence, identity or connection with any Taxing Jurisdiction, if and to the extent that due and timely compliance with such request is required under the tax laws of such jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or
 - (iv) the presentation of such Note (in cases in which presentation is required) for payment in the Taxing Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (c) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing such intergovernmental agreement or FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or
 - (d) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) and (c); or
- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Subsidiary Guarantee or JV Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts *provided* for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person (as defined under "–Consolidation, Merger and Sale of Assets"), as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and upon reasonable notice in advance of such notice to Holders to the Trustee and the Paying Agent (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or a Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or
- (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective (or in the case of an official position, is announced) (i) with respect to the Company, on or after the date of the final offering memorandum relating to the issue of the Notes, or (ii) with respect to any Surviving Person, on or after the date such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes, or the Indenture, the Company or a Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company or the Surviving Person, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to

the earliest date on which the Company or the Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Notwithstanding anything to the contrary herein, the Company or a Surviving Person may not redeem the Notes in the case that Additional Amounts are payable in respect of PRC withholding tax at a rate of (i) 10% or less if the withholding is imposed in respect of PRC income taxes, or (ii) 16.72% or less if the withholding is imposed in respect of both PRC income and VAT.

Prior to the giving of any notice of redemption of the Notes pursuant to the foregoing, the Company or a Surviving Person, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

- (1) an Officers' Certificate stating that such change or amendment or stating of an official position referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company or the Surviving Person, as the case may be, by taking reasonable measures available to it; and
- (2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment or stating of an official position referred to in the prior paragraph.

The Trustee shall and is entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

- (1) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not permit any Restricted Subsidiary to issue Preferred Stock, *provided* that the Company and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness), any Finance Subsidiary may Incur Finance Subsidiary Indebtedness and any Restricted Subsidiary (other than a Subsidiary Guarantor) may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less than 2.5 to 1.0. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock held by the Company or a Subsidiary Guarantor, so long as it is so held).
- (2) Notwithstanding the foregoing, the Company and, to the extent *provided* below, any Restricted Subsidiary may Incur each and all of the following ("Permitted Indebtedness"):
 - (a) Indebtedness under the Notes (excluding any Additional Notes) and each Subsidiary Guarantee and JV Subsidiary Guarantee (if any);
 - (b) Any *Pari Passu* Guarantee;
 - (c) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (d); *provided* that such Indebtedness of Non-Guarantor Subsidiaries (other than any Finance Subsidiary) shall be included in the calculation of Permitted Subsidiary Indebtedness (other than any such Indebtedness described in clauses (a) and (b) above and clauses (d), (f), (g), (m) and (o) below);
 - (d) Indebtedness of the Company or Indebtedness or Preferred Stock of any Restricted Subsidiary owed to or held by the Company or any Restricted Subsidiary; *provided* that (i)

any event which results in any such Restricted Subsidiary to which such Indebtedness is owed or by which such Preferred Stock is held ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness or Preferred Stock (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (d) and (ii) if the Company is the obligor on such Indebtedness and none of the Subsidiary Guarantors and the JV Subsidiary Guarantors are the obligee on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes, and if a Subsidiary Guarantor or a JV Subsidiary Guarantor is the obligor on such Indebtedness and none of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors are the obligee on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be; *provided* further that, any Preferred Stock issued by a Subsidiary Guarantor or a JV Subsidiary Guarantor and held by the Company or another Restricted Subsidiary must by the terms thereof or by operation of law be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be;

- (e) Indebtedness (“Permitted Refinancing Indebtedness”) issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, “refinance” and “refinances” and “refinanced” shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Indebtedness) Incurred under the immediately preceding paragraph (1) or clauses (a), (b), (c), (h), (n), (p), (q), (r), (s), (t), (u), (v) or (w) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes, a Subsidiary Guarantee or a JV Subsidiary Guarantee shall only be permitted under this clause (e) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes, such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, a Subsidiary Guarantee or a JV Subsidiary Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, such Subsidiary Guarantee or such JV Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes, such Subsidiary Guarantee or such JV Subsidiary Guarantee, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced, (iii) in no event may Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary that is neither the Company, nor a Subsidiary Guarantor or a JV Subsidiary Guarantor (other than any Finance Subsidiary Indebtedness), and (iv) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor; *provided* further that the repayment, redemption or discharge of an old Project Debt may be classified as being “refinanced” within the meaning of this clause (e) by a new Project Debt Incurred within 180 days after the repayment, redemption or discharge of such old Project Debt;
- (f) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

- (g) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary;
- (h) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (x) all or any part of the purchase price of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, real or personal property or equipment which will, upon acquisition, become a Restricted Subsidiary, or (y) all or any part of the purchase price or the cost of development, construction or improvement of assets, real or personal property (including the lease purchase price of land use rights) or equipment to be used in the ordinary course of business by the Company or such Restricted Subsidiary in the Permitted Business; *provided* that in the case of sub-clauses (x) and (y), (A) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (B) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such property or completion of such development, construction or improvement and (C) on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (h) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock and Disqualified Stock Incurred or issued under clauses (p), (q), (s), (t), (u), (v) and (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (h) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (i) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self- insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (j) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;
- (k) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Restricted Subsidiary;
- (l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of Incurrence;
- (m) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, subject to the "Limitation on Issuances of Guarantees by Restricted Subsidiaries" covenant;
- (n) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (n) at any time outstanding (together with refinancings thereof) does not exceed US\$30.0 million (or the Dollar Equivalent thereof);

- (o) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Staged Acquisition Agreement; *provided* that such Person is either a Restricted Subsidiary or would become a Restricted Subsidiary upon completion of the transactions under such Staged Acquisition Agreement;
- (p) Indebtedness Incurred or Preferred Stock or Disqualified Stock issued by any Restricted Subsidiary arising from any Investment made by a Financial Company Investor in a PRC Restricted Subsidiary, and Indebtedness of the Company or a Restricted Subsidiary constituting a Guarantee by, or grant of a Lien on the assets of, the Company or a PRC Restricted Subsidiary in favor of a Financial Company Investor with respect to the obligation to pay a guaranteed or preferred return to such Financial Company Investor on Capital Stock of a PRC Restricted Subsidiary held by such Financial Company Investor, *provided* that on the date of such Incurrence of all such Indebtedness or issuance of such Preferred Stock or Disqualified Stock and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under this clause (p) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was Incurred under clause (h) above and clauses (q), (s), (t), (u), (v) and (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (p) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount), does not exceed an amount equal to 30% of Total Assets;
- (q) Bank Deposit Secured Indebtedness Incurred by the Company or any Restricted Subsidiary; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred under this clause (q) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness and Preferred Stock Incurred under clauses (h) and (p) above and clauses (s), (t), (u), (v) and (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (q) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (r) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US\$25.0 million (or the Dollar Equivalent thereof);
- (s) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of Indebtedness of any Person (other than the Company or any Restricted Subsidiary by the Company or such Restricted Subsidiary, *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (s) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under clauses (h), (p) and (q) above and clauses (t), (u), (v) and (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (s) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
- (t) Acquired Indebtedness of any Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary became a Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of transactions pursuant to which a Person becomes a Restricted Subsidiary or (ii) otherwise in contemplation of a Person becoming a Restricted Subsidiary or any such acquisition); *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (t) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under clauses (h), (p), (q) and (s) above and clauses (u), (v) and (w) below and the

refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (t) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;

- (u) Indebtedness Incurred by any Restricted Subsidiary which is secured by Investment Properties, and Guarantees thereof by the Company or any Restricted Subsidiary; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (u) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under clauses (h), (p), (q), (s) and (t) above and clauses (v) and (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (u) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (v) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Minority Interest Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Minority Interest Staged Acquisition Agreement; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (v) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under clauses (h), (p), (q), (s), (t) and (u) above and clause (w) below and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (v) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (w) Indebtedness of the Company or any Restricted Subsidiary under the Credit Facilities; *provided* that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate of all Indebtedness Incurred under this clause (w) (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness, Preferred Stock or Disqualified Stock Incurred or issued under clauses (h), (p), (q), (s), (t), (u) and (v) above and the refinancings thereof, but excluding any Contractor Guarantee or Guarantee Incurred under such clauses and this clause (w) to the extent the amount of such Contractor Guarantee or Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 30% of Total Assets;
 - (x) Indebtedness constituting a Subordinated Shareholder Loan; and
 - (y) Indebtedness of the Company or any Restricted Subsidiary in respect of Non-recourse Receivable Financing.
- (3) For purposes of determining compliance with this “Limitation on Indebtedness and Preferred Stock” covenant, in the event that an item of Indebtedness or Preferred Stock meets the criteria of more than one of the types of Indebtedness or Preferred Stock described above, including under the proviso in the first paragraph, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness or Preferred Stock in one or more types of Indebtedness or Preferred Stock described above.
- (4) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies, *provided* that such Indebtedness was permitted to be Incurred at the time of such Incurrence.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as “Restricted Payments”):

- (1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of its Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable or paid in shares of the Company's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire such Capital Stock) held by Persons other than the Company or any Wholly Owned Restricted Subsidiary;
- (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly Owned Restricted Subsidiary other than (i) the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement or (ii) the purchase of Capital Stock of a Restricted Subsidiary held by any Financial Company Investor;
- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of the Subsidiary Guarantees or any of the JV Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries); or
- (4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;
- (b) the Company could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of the covenant described under the caption “–Limitation on Indebtedness and Preferred Stock;” or
- (c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:
 - (i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal semi-annual period during which the Notes are originally issued and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) (which may include internal consolidated financial statements) are available; *plus*
 - (ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting (without double counting) the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company or any Restricted Subsidiary; *plus*
 - (iii) the amount by which Indebtedness of the Company or any of its Restricted Subsidiaries is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified

Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *plus*

- (iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Measurement Date, (B) the unconditional release of a Guarantee *provided* by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) to the extent that an Investment made after the Measurement Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person, or (E) any Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Measurement Date shall be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment") but only to the extent such Investments by the Company or any Restricted Subsidiary in such Person was a Restricted Payment made to the extent permitted under this paragraph (c); *plus*
- (v) US\$25.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of any of the following:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company, any Finance Subsidiary, or any of the Subsidiary Guarantors or JV Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
- (3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, *provided* however that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, *provided* however that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);

- (5) the declaration and payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary, at least a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company;
- (6) dividends paid to, or the purchase of Capital Stock of any PRC Restricted Subsidiary held by, any Financial Company Investor in respect of any Indebtedness or Preferred Stock outstanding on the Original Issue Date or permitted to be Incurred under paragraph (2)(p) of the “Limitation on Indebtedness and Preferred Stock” covenant;
- (7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company, *provided*, however, that any such cash payment shall not be for the purpose of evading the limitation of this “– Limitation on Restricted Payments” covenant (as determined in good faith by the Board of Directors of the Company);
- (8) the payments of any dividends or distribution declared, paid or made by a Restricted Subsidiary not on a pro-rata basis to all holders of any class of Capital Stock of such Restricted Subsidiary, at least a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company, *provided* that the aggregate amount of such payments minus the amounts that the minority shareholders of such Restricted Subsidiaries would otherwise be entitled to if such payments are made on a pro-rata basis may not exceed 2.0% of Total Assets;
- (9) the declaration and payment of dividends on the Company’s Common Stock by the Company, to the extent that the accumulated amount of such dividends of any fiscal year does not exceed 30% of the distributable profits of the Company for such fiscal year; except that if such accumulated amount exceeds 30% of such distributable profits, upon giving effect to the declaration and payment of such dividends, the Adjusted Owner’s Equity Attributable to the Parent Company of such fiscal year shall not be less than the Adjusted Owner’s Equity Attributable to the Parent Company of the immediately preceding fiscal year;
- (10) distributions or payments of Securitization Fees in connection with Receivable Financing permitted under the Indenture;
- (11) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary in connection with an employee benefit plan of the Company or any Restricted Subsidiary, or the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary held by an employee benefit plan of the Company or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Company or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing), *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed US\$1.0 million (or the Dollar Equivalent thereof); or
- (12) the purchase by the Company or any Restricted Subsidiary of Capital Stock of any Restricted Subsidiary that is not Wholly Owned, directly or indirectly, by the Company from an Independent Third Party, *provided* that in the opinion of the Board of Directors, the purchase price of such Capital Stock is less than or equal to the Fair Market Value of such Capital Stock, *provided* further that the aggregate principal amount paid by the Company or any Restricted Subsidiary for any purchase made pursuant to this clause (12) does not exceed an amount equal to 20.0% of Total Assets,

provided that, in the case of clause (2), (3), (4), (8), (9) and (12) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment made pursuant to clause (1), (8), (9) and (12) of the preceding paragraph shall be included in calculating whether the conditions of clause (c) of the first paragraph of this “– Limitation on Restricted Payments” covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors’

determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized standing if the Fair Market Value exceeds US\$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US\$10.0 million (or the Dollar Equivalent thereof) (other than any Restricted Payments set forth in clauses (5) through (12) above), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "– Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

For purposes of determining compliance with this "– Limitation on Restricted Payments" covenant, in the event that an item of Investment meets the criteria of both the first paragraph of this "– Limitation on Restricted Payments" covenant and paragraph (18) of the definition of "Permitted Investment" at any time, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Investment in either or both of them.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (1) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;
 - (c) make loans or advances to the Company or any other Restricted Subsidiary; or
 - (d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that, for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis.

- (2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:
 - (a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees, the Indenture or Pari Passu Guarantee, and any extensions, amendments, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, amendment, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, amended, refinanced, renewed or replaced;
 - (b) existing under or by reason of applicable law, rule, regulation or order;
 - (c) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, amendments, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, amendment, refinancing, renewal or replacement, taken as a whole, are no more restrictive

in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, amended, refinanced, renewed or replaced;

- (d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, or (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of the property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;
- (e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the “– Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries,” “– Limitation on Indebtedness and Preferred Stock” and “– Limitation on Asset Sales” covenants;
- (f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock of the type described under clause (2)(h), (2)(o), (2)(p), (2)(q), (2)(s), (2)(t), (2)(u), (2)(v) or (2)(w) or permitted under clause (2)(n) or (2)(r) of the “– Limitation on Indebtedness and Preferred Stock” covenant if the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company, any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payment on the Notes, any Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, and any extensions, amendment, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, amendment, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, amended, refinanced, renewed or replaced; *provided* further that, the Board of Directors is empowered to determine as to whether the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive;
- (g) existing in customary provisions in shareholders agreements, joint venture agreements and other similar agreements permitted under the Indenture, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture and if (i) the encumbrances or restrictions are customary for a shareholders agreement, joint venture agreement or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (x) the ability of the Company to make the required payments on the Notes, or (y) the ability of any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payments under its Subsidiary Guarantee or JV Subsidiary Guarantee; *provided* further that, the Board of Directors is empowered to determine as to whether the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive; or
- (h) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such former Unrestricted Subsidiary or its subsidiaries or the property or assets of such former Unrestricted Subsidiary or its subsidiaries, and any extensions, amendments, refinancing, renewals or replacements thereof; *provided* that, the encumbrances and restrictions in any such extension, amendment, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, amended, refinanced, renewed or replaced.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, *pro rata* to its shareholders or incorporators or on a basis more favorable to the Company and its Restricted Subsidiaries;
- (2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;
- (3) the sale or issuance of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such sale or issuance, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "– Limitation on Restricted Payments" covenant if made on the date of such sale or issuance and *provided* that the Company complies with the "– Limitation on Asset Sales" covenant; or
- (4) the sale or issuance of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such sale or issuance); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such sale or issuance in accordance with the "– Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor or a JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("Guaranteed Indebtedness") of the Company, any Finance Subsidiary, or any Subsidiary Guarantor or JV Subsidiary Guarantor, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee (in the case of a Subsidiary Guarantor) or JV Subsidiary Guarantee (in the case of a JV Subsidiary Guarantor) of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, until the Notes have been paid in full or (2) such Guarantee is permitted by clauses (2)(c), (2)(d) or (2)(m), under the caption "– Limitation on Indebtedness and Preferred Stock."

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, or (2) is subordinated in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes, the Subsidiary Guarantee or the JV Subsidiary Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an "Affiliate Transaction"), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and
- (2) the Company delivers to the Trustee:

- (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$20.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
- (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$35.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees and other compensation for the service as board members to directors of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;
- (2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;
- (3) any Restricted Payment of the type described in clauses (1) or (2) of the first paragraph of the covenant described above under the caption “– Limitation on Restricted Payments” if permitted by that covenant;
- (4) any sale of Capital Stock (other than Disqualified Stock) of the Company;
- (5) any purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement, and any purchase of Capital Stock of a Restricted Subsidiary held by a Financial Company Investor; and
- (6) any repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary pursuant to clause (6) of the second paragraph of the covenant entitled “– Limitation on Restricted Payments.”

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) Investments (including Permitted Investments that are permitted under paragraph (18) of the definition of “Permitted Investments” but otherwise excluding any other Permitted Investments) not prohibited by the “– Limitation on Restricted Payments” covenant, (ii) transactions pursuant to agreements in effect on the Original Issue Date and described in this offering memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date, (iii) any transaction between or among any of the Company, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among the Company or a Restricted Subsidiary on the one hand and a Jointly Controlled Entity, an Associate or an Unrestricted Subsidiary on the other hand and (iv) any transaction involving Receivable Financing Assets, or participation therein, in connection with any Receivable Financing; *provided* that in the case of clause (iii) (a) such transaction is entered into in the ordinary course of business, (b) in the case of a transaction with a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in clause (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary or being a Subsidiary of the Company), and (c) in the case of a transaction with a Jointly Controlled Entity, an Associate or an Unrestricted Subsidiary, none of the shareholders or partners (other than the Company or a Restricted Subsidiary) of such Jointly Controlled Entity, Associate or Unrestricted Subsidiary is a Person described in clause (x) or (y) of the first paragraph of this covenant (other than by reason of such shareholder or partner being a director or officer of such Jointly Controlled Entity, Associate or Unrestricted Subsidiary or by reason of such shareholder or partner being, the Company or a Subsidiary, Jointly Controlled Entity or Associate of the Company).

Limitation on Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on any Capital Stock of a Restricted Subsidiary incorporated outside of the PRC (other than a Permitted Lien specified in clauses (1) and (6) of the definition of “Permitted Liens”), unless the Notes are equally and ratably secured by such Lien.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (1) the Company or any Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under clause (1) of the covenant described above under “– Limitation on Indebtedness and Preferred Stock” and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption “– Limitation on Liens,” in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;
- (2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described below under the caption “– Limitation on Asset Sales.”

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and
- (3) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing. For purposes of this provision, each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Company’s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
 - (b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or any Restricted Subsidiary) may apply such Net Cash Proceeds to:

- (1) permanently repay Senior Indebtedness of the Company or a Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or
- (2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (other than current assets that are not land use rights, properties under development or completed property held for sale), including any shares of Capital Stock in a Person holding such properties or assets, that will be used in a Permitted Business (“Replacement Assets”).

provided that, pending the application of Net Cash Proceeds in accordance with clauses (1) or (2) of this paragraph, such Net Cash Proceeds may be temporarily invested only in cash or Temporary Cash Investments.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute “Excess Proceeds.” Excess Proceeds of less than US\$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US\$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

- (1) accumulated Excess Proceeds, multiplied by
- (2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the related Asset Sale,

rounded down to the nearest US\$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount of the Notes plus accrued and unpaid interest to but excluding the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes (and such other *pari passu* Indebtedness) will be purchased on a *pro rata* basis (with adjustments to prevent fractional Notes) subject to the procedures of the clearing systems. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company’s Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided, however*, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant described under the caption “– Limitation on Restricted Payments.”

Use of Proceeds

The Company will not and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than (1) as specified under the caption “Use of Proceeds” in this offering memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) neither the Company nor any Restricted Subsidiary provides credit support (other than any Guarantee in

compliance with clause (6) below) for the Indebtedness of such Restricted Subsidiary; (3) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross- default to the Indebtedness of the Company; (4) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock” or such Lien would violate the covenant described under the caption “– Limitation on Liens;” (5) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (6) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under “– Limitation on Restricted Payments”.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock;” (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption “– Limitation on Liens;” (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (5) if such Restricted Subsidiary is not organized under the laws of the PRC, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor to the extent required under “– The Subsidiary Guarantees and the JV Subsidiary Guarantees”.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply with would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee, the relevant JV Subsidiary Guarantee or the Indenture.

The Company has completed the registration of foreign debt in respect of the offering described in this offering memorandum and obtained a certificate of registration from the NDRC in accordance with the NDRC Notice. The Company will (i) file or cause to be filed with (x) the NDRC or its local branch and (y) the SAFE or its local branch information of the offering described in this offering memorandum after the Original Issue Date in accordance with and within the time period prescribed by the NDRC Notice and all applicable laws and regulations (such registration is referred to as a “SAFE Completion Event”) and (ii) ensure that the registration of foreign debt with the NDRC and SAFE in respect of the offering described in this offering memorandum remains in full force and effect for so long as any of the Notes remains outstanding.

Anti-Layering

The Company will not and will not permit any Subsidiary Guarantor or JV Subsidiary Guarantor to, Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, the applicable Subsidiary Guarantee or the applicable JV Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Suspension of Certain Covenants

If, on any date following the date of the Indenture, the Notes have a rating of Investment Grade from all of the Rating Agencies and no Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from any of the Rating Agencies, the provisions of the Indenture summarized under the following captions will be suspended:

- (1) “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;
- (2) “– Certain Covenants – Limitation on Restricted Payments”;
- (3) “– Certain Covenants – Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries”;
- (4) “– Certain Covenants – Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries”;
- (5) “– Certain Covenants – Limitation on Issuances of Guarantees by Restricted Subsidiaries”;
- (6) “– Certain Covenants – Limitation on the Company’s Business Activities”;
- (7) “– Certain Covenants – Limitation on Sale and Leaseback Transactions”;
- (8) “– Certain Covenants – Limitation on Asset Sales”; and
- (9) Clause (4) under paragraphs (a) and (b) of the covenant described under “– Consolidation, Merger and Sale of Assets.”

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under the caption “– Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries” or the definition of “Unrestricted Subsidiary.”

Such covenants will be reinstated and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant summarized under “– Certain Covenants – Limitation on Restricted Payments” will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

- (1) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with The Shenzhen Stock Exchange or any other recognized securities exchange on which the Company’s common shares are at any time listed for trading, true and correct copies of any Financial Report filed with such exchange, and in each case, an English translation thereof shall be filed with the Trustee within 20 Business Days thereafter; *provided* that if at any time the Common Stock of the Company ceases to be listed for trading on a recognized securities exchange, the Company will file with the Trustee and furnish to the Holders:
 - (a) as soon as they are available, but in any event within 150 calendar days after the end of the fiscal year of the Company, copies of the financial statements on a consolidated basis of the Company in respect of such financial year (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP and audited by a member firm of an internationally or nationally recognized firm of independent accountants, in each case together with an English translation thereof;

- (b) as soon as they are available, but in any event within 90 calendar days after the end of the second financial quarter of the Company, copies of the financial statements on a consolidated basis of the Company in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP and reviewed by a member firm of an internationally or nationally recognized firm of independent accountants, in each case together with an English translation thereof; and
 - (c) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third financial quarters of the Company, copies of the unaudited financial statements on a consolidated basis of the Company, including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period, in each case together with an English translation thereof.
- (2) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee
- (a) at the same time as the Company is required to deliver its annual Financial Report to the Trustee, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the most recent fiscal year and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; *provided that*, the Company shall not be required to provide such auditor certification if its external auditors refuse to provide such certification as a result of a policy of such external auditors not to provide such certification; and
 - (b) as soon as possible and in any event within 30 calendar days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company is taking or proposes to take with respect thereto.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of the provisions of the covenants described under "– Consolidation, Merger and Sale of Assets," the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions "– Repurchase of Notes upon a Change of Control Triggering Event" or "– Limitation on Asset Sales";
- (4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$20.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any of its Restricted Subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons

to exceed US\$20.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

- (7) an involuntary case or other proceeding is commenced against the Company or any Significant Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Significant Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Significant Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or any Significant Restricted Subsidiary, other than in connection with a solvent liquidation or reorganization (except for any solvent liquidation or reorganization of the Company), (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors; or
- (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of the Holders of Notes waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may at its sole discretion and without further notice pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts

with law or the Indenture, that may involve the Trustee in personal liability, or that is unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action that is not inconsistent with any such direction received from Holders. The Trustee shall not be required to expend its funds in following such direction if it does not reasonably believe that reimbursement or indemnity and/or security and/or pre-funding is assured to it.

A Holder of Notes may not institute any proceeding, judicial or otherwise, with respect to the Indenture, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;
- (4) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (2) above or (y) 60 days after the receipt of, the offer of indemnity and/or security and/or pre-funding pursuant to clause (3) above, whichever occurs later; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

If the Trustee collects any money pursuant to the Indenture, it shall pay out the money in the following order:

First, to the Trustee and the Agents to the extent necessary to reimburse the Trustee or the Agents for any expenses incurred in connection with the collection or distribution of such amounts held or realized and any reasonable fees and expenses incurred in connection with carrying out its functions under the Indenture (including reasonable legal fees);

Second, to the Trustee for the benefit of Holders; and

Third, any surplus remaining after such payments will be paid to the Company or to whomever may be lawfully entitled thereto.

Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year ending after the Original Issue Date and within 14 days after any written request by the Trustee, that a review has been conducted of the activities of the Company and the Restricted Subsidiaries and the Company's and the Restricted Subsidiaries' performance under the Indenture and that the Company and each Restricted Subsidiary have fulfilled all of their respective obligations thereunder and that there has been no potential Event of Default or Event of Default, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. Officers of the Company will also be obligated to promptly notify the Trustee in writing of any Default or Defaults in the performance of any covenants or agreements under the Indenture and the action which the Company is taking or proposes to take with respect thereto. See "– Provision of Financial Statements and Reports."

None of the Trustee or any Agent (as defined below) is obligated to do anything to ascertain whether any Event of Default or Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and each of the Trustee and the Agents may assume that no such event has occurred and that the Company and its Restricted Subsidiaries are performing all of their respective obligations under the Indenture, the Notes, any Subsidiary Guarantee and any JV Subsidiary Guarantee, unless the Trustee or the Agent, as the case may be, has received written notice of the occurrence of such event or facts establishing that a Default or an Event of Default has occurred or that the Company and its Restricted Subsidiaries

are not performing all of their respective obligations under the Indenture, the Notes, any Subsidiary Guarantee and any JV Subsidiary Guarantee, as the case may be.

Consolidation, Merger and Sale of Assets

- (1) The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) unless each of the following conditions is satisfied:
 - (a) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Company consolidated or merged, or that acquired or leased such property and assets (the “Surviving Person”) shall be a corporation organized and validly existing under the laws of the British Virgin Islands, the Cayman Islands or Hong Kong and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the Notes, including the obligation to pay Additional Amounts with respect to any Relevant Jurisdiction, and the Indenture and the Notes shall remain in full force and effect;
 - (b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
 - (c) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
 - (d) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under the proviso of paragraph (1) of the covenant described under “– Certain Covenants – Limitation on Indebtedness”;
 - (e) the Company shall deliver to the Trustee (x) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (c) and (d)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision, that all conditions precedent *provided* for in the Indenture relating to such transaction have been complied with and the NDRC registration and SAFE registration described under “– Certain Covenants – Government Approvals and Licenses; Compliance with Law” remains valid and effective under PRC law, to the fullest extent applicable;
 - (f) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under “– Consolidation, Merger and Sale of Assets”, shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person, as the case may be, in accordance with the Notes and the Indenture; and
 - (g) no Rating Decline shall have occurred.
- (2) No Subsidiary Guarantor or JV Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor or, in the case of a JV Subsidiary Guarantor, other than to another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor), unless:
 - (a) such Subsidiary Guarantor or JV Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which such Subsidiary Guarantor or JV Subsidiary Guarantor consolidated or merged, or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or

shall become a Subsidiary Guarantor concurrently with the transaction (or, in the case of a JV Subsidiary Guarantor, another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor); and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor or JV Subsidiary Guarantor under the Indenture and the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, including the obligation to pay Additional Amounts with respect to any Relevant Jurisdiction and the Indenture, the Subsidiary Guarantee or the JV Subsidiary Guarantee, as the case may be, shall remain in full force and effect;

- (b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (c) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
- (d) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock;”
- (e) the Company delivers to the Trustee (x) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (c) and (d)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent *provided* for in the Indenture relating to such transaction have been complied with and the NDRC registration and SAFE registration described under “– Certain Covenants – Government Approvals and Licenses; Compliance with Law” remains valid and effective under PRC law, to the fullest extent applicable; and
- (f) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to any sale or other disposition that complies with the “– Limitation on Asset Sales” covenant or any Subsidiary Guarantor or JV Subsidiary Guarantor whose Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, is unconditionally released in accordance with the provisions described under “– The Subsidiary Guarantees – Release of the Subsidiary Guarantees and the JV Subsidiary Guarantees.”

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor or JV Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor or JV Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor survives such consolidation or merger.

The foregoing provisions would not necessarily afford Holders protection in the event of highly- leveraged or other transactions involving the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor that may adversely affect Holders.

No Payments for Consents

The Company will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes, any Subsidiary Guarantee or JV Subsidiary Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange or tender offer, the Company may exclude Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company to comply with the registration requirements or other similar requirements under any securities laws of any jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

- (1) the Company (a) has deposited with the Trustee (or its agent) or to their order in trust and the Trustee may further deposit in another account for the Company, money and/or U.S. Government Obligations or any combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide cash in U.S. Dollars in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity for such payment in accordance with the terms of the Indenture;
- (2) the Company has delivered to the Trustee an Opinion of Counsel from a firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and
- (3) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

In the case of either discharge or defeasance of the Notes, each of the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that (i) the provisions of the Indenture applicable to the Notes will no longer be in effect with respect to clauses (c), (d), (e)(x) and (g) under the first paragraph, and clauses (c), (d), (e)(x) and (f) under the second paragraph under “– Consolidation, Merger and Sale of Assets” and all the covenants described herein under “– Certain Covenants,” other than as described under “– Certain Covenants-Government Approvals and Licenses; Compliance with Law” and “– Certain Covenants-Anti-Layering,” and (ii) clause (3) under “Events of Default” with respect to clauses (c), (d), (e)(x) and (g) under the first paragraph, and (c), (d), (e)(x) and (f) under the second paragraph under “Consolidation, Merger and Sale of Assets” and with respect to the other events set forth in clause (i) above, clause (4) under “Events of Default” with respect to such other covenants in clause (i) above and clauses (5) and (6) under “Events of Default” shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent) or to their order in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide cash in U.S. dollars in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with

the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (2) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S dollars and/or U.S. Government Obligations on deposit with the Trustee (or its agent) or to their order will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any) may be amended, without the consent of any Holder, to:

- (1) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any);
- (2) comply with the provisions described under “– Consolidation, Merger and Sale of Assets;”
- (3) evidence and provide for the acceptance of appointment by a successor Trustee;
- (4) add any Subsidiary Guarantor or JV Subsidiary Guarantor, or any Subsidiary Guarantee or any JV Subsidiary Guarantee, or release any Subsidiary Guarantor or JV Subsidiary Guarantor from any Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, as provided or permitted by the terms of the Indenture;
- (5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;
- (6) add any collateral to secure the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee (if any);
- (7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
- (8) effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable securities depository or clearing system;
- (9) make any other change that does not materially and adversely affect the rights of any Holder; or
- (10) conform the text of the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any) to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision in the Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

Amendments With Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any) may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in aggregate principal amount of the outstanding Notes may amend or waive future compliance by the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) with any provision thereof; *provided, however*, that no such modification, amendment or waiver may, without the consent of each Holder affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;
- (2) reduce the principal amount of, or premium, if any, or interest on, any Note;

- (3) change the currency or time of payment of principal of, or premium, if any, or interest on, any Note;
- (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note, any Subsidiary Guarantee or any JV Subsidiary Guarantee;
- (5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;
- (6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;
- (7) release any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in the Indenture;
- (8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;
- (9) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders except as provided in the Indenture;
- (10) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale;
- (11) change the redemption date or the redemption price of the Notes from that stated under the caption “– Optional Redemption” or “– Redemption for Taxation Reasons”;
- (12) amend, change or modify the obligation of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor to pay Additional Amounts; or
- (13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee in a manner which adversely affects the Holders.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company, any of the Subsidiary Guarantors or any of the JV Subsidiary Guarantors in the Indenture, or in any of the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company, any of the Subsidiary Guarantors or JV Subsidiary Guarantors, or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under the federal securities laws.

Concerning the Trustee and the Agents

Citicorp International Limited has been appointed as Trustee under the Indenture. Citibank, N.A., London Branch has been appointed as note registrar (the “Note Registrar”), as transfer agent (the “Transfer Agent”) and as paying agent (the “Paying Agent”) and together with the Note Registrar and the Transfer Agent, the “Agents”) with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture or the Notes, and no implied covenant or

obligation shall be read into the Indenture or the Notes against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Company and its Affiliates.

The Trustee will not be under any obligation to exercise any rights or powers conferred under the Indenture for the benefit of the Holders, unless (i) the requisite number of Holders have instructed the Trustee in writing and offered to the Trustee indemnity and/ or security and/or pre-funding satisfactory to the Trustee against any loss, liability or expense that might be incurred by it in compliance with such request or direction and, (ii) the Trustee is satisfied that the act or exercise of any rights or powers vested in it by the Indenture will not result in any of its directors, officers, employees or agents incurring personal liability.

Book-Entry; Delivery and Form

The Notes will be represented by a global note in registered form without interest coupons attached (the "Initial Global Note"). On the Original Issue Date, the Global Note will be deposited with a common depository and registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream. Any additional Notes will be represented by additional global notes in registered form without interest coupons attached (the "Additional Global Notes" and, together with the Initial Global Note, the "Global Notes").

Global Notes

Ownership of beneficial interests in the Global Notes (the "book-entry interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under "– Individual Definitive Notes," the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book- entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture and "holders" of book-entry interests will not be considered the owners or "Holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Trustee or any of the Agents or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

Payments on the Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts) will be made to the Paying Agent in U.S. dollars. The Paying Agent will, in turn, make such payments to the common depository for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. Each of the Company and the Subsidiary Guarantors (if any) will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and in which case additional amounts shall be paid as described under "– Additional Amounts".

Under the terms of the Indenture, the Company, any Subsidiary Guarantor, any JV Subsidiary Guarantor and the Trustee will treat the registered holder of the Global Notes (i.e., the common depository or its nominee) as

the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee or any of the Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or
- any action or failure to take action by Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the common depository will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the book-entry interests in such Global Note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by the common depository, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, however, that no book-entry interest of US\$200,000 principal amount, or less, as the case may be, will be redeemed in part.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder of Notes only at the direction of one or more participants to whose account the book-entry interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Note for individual definitive notes in certificated form, and to distribute such individual definitive notes to their participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Notes will be subject to the restrictions on transfer discussed under "Transfer Restrictions" of this offering memorandum.

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the applicable settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of

Euroclear and Clearstream participants on the Clearing System Business Day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

The Company understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors, the Trustee, the Agents or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depository or any successor to the common depository is at any time unwilling or unable to continue as a depository for the reasons described in the Indenture and a successor depository is not appointed by the Company within 90 days, (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with “–Events of Default” and the Company has received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depository, Euroclear, Clearstream or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depository for the exchange of interests in the Global Notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the Trustee for delivery to Holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the Note Registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Note Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or first-class mail (if intended for the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor) addressed to the Company, (if intended for the Trustee) at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register (or otherwise delivered to such Holders in accordance with applicable Euroclear or Clearstream procedures).

So long as the Notes are represented by the Global Note and the Global Note is held on behalf of Euroclear and/or Clearstream, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream for communication by it to entitled participants in substitution for notification as required under the Notes.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream, as the case may be. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, as the case may be, or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each of the Subsidiary Guarantors (if any) will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, any JV Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this “Description of the Notes” for which no definition is provided.

“Acquired Indebtedness” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

“Adjusted Owner’s Equity Attributable to Parent Company” means, at any time, an amount equals to the “total owner’s equity attributable to parent company” as set forth on the consolidated balance sheet (which may be an internal consolidated balance sheet) of the Company and Subsidiaries, but not including any “other equity instruments” as set forth thereon.

“Adjusted Treasury Rate” means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after May 28, 2024, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

“Affiliate” means, with respect to any Person, any other Person, whether now or in the future, (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person,

means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Applicable Premium” means with respect to any Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of all required remaining scheduled interest payments due on such Note through May 28, 2024 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 100 basis points, over (B) the principal amount of such Note on such redemption date.

“Asset Acquisition” means (1) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“Asset Disposition” means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

“Asset Sale” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person; *provided* that “Asset Sale” shall not include:

- (1) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;
- (2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the “–Limitation on Restricted Payments” covenant;
- (3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;
- (5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (6) a transaction covered by the covenant described under the caption “– Consolidation, Merger and Sale of Assets”;
- (7) any sale, transfer or other disposition by the Company or any of its Restricted Subsidiaries, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Restricted Subsidiary; and
- (8) any disposition of Receivable Financing Assets in connection with any Receivable Financing (other than Non-recourse Receivable Financing) permitted under the Indenture, and (ii) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof or in bankruptcy or similar proceeding.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Bank Deposit Secured Indebtedness” means Indebtedness of the Company or any Restricted Subsidiary that is (i) secured by a pledge of one or more bank accounts or bank deposits of the Company or a Restricted Subsidiary and/or (ii) Guaranteed by a Guarantee, letter of credit or similar instrument from or arranged by the Company or a Restricted Subsidiary and is used by the Company and its Restricted Subsidiaries to effect exchanges of currencies or remit money onshore or offshore.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if the Board of Directors comprises of any disinterested members and so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York, London or Hong Kong (or in the place of business of the Paying Agent or any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity or exchangeable into such equity. For the avoidance of doubt, any perpetual securities issued by the Company or any of its Restricted Subsidiaries shall not be included in this definition of “Capital Stock” even if such perpetual securities are recorded as equity in accordance with the GAAP.

“Change of Control” means the occurrence of one or more of the following events:

- (1) the merger, amalgamation or consolidation of the Company with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person (other than one or more Permitted Holders);
- (2) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Permitted Holders) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 66.0% of the total voting power of the Voting Stock of the Company;
- (3) the Permitted Holders are collectively the beneficial owners of less than 25% of the total voting power of the Voting Stock of the Company;
- (4) directors recommended or nominated by any Person other than the Permitted Holders constitute a majority of the Board of Directors then in office; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and, *provided* that the Notes are rated by at least one Rating Agency, a Rating Decline.

“China Chengxin” means China Chengxin (Asia Pacific) Credit Ratings Company Limited and its successors.

“Clearstream” means Clearstream Banking, S.A.

“Commodity Hedging Agreement” means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

“Comparable Treasury Issue” means the U.S. Treasury security having a maturity comparable to May 28, 2024 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to May 28, 2024.

“Comparable Treasury Price” means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three (or such lesser number as is available) Reference Treasury Dealer Quotations for such redemption date.

“Consolidated Assets” means, with respect to any Restricted Subsidiary at any date of determination, the Company and its Restricted Subsidiaries’ proportionate interest in the total consolidated assets of that Restricted Subsidiary and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries (which the Company shall use its best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements).

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense, including for the avoidance of doubt, capitalized interest included in cost of sale,
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), and
- (3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income,

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP; *provided* that (1) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries and (2) in the case of any PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

“Consolidated Fixed Charges” means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Company’s Capital Stock (other than Disqualified Stock) or paid to the Company or to a Wholly Owned Restricted Subsidiary.

“Consolidated Interest Expense” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation,

(4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person (other than the Company or its Restricted Subsidiaries) that is Guaranteed by, or secured by a Lien on any asset of, the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees and only to the extent payable by the Company or any of its Restricted Subsidiaries) *provided* that, in the case of Indebtedness secured by a Lien on assets, the amount of accrued interest of such Indebtedness will be the lesser of (a) the book value of such assets at such date of determination, and (b) the actual amount of such accrued interest, and (7) any capitalized interest; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (or loss), attributable to the shareholders of such Person, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:
 - (a) subject to the exclusion contained in clause (5) below, the Company’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and
 - (b) the Company’s equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;
- (2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;
- (3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (4) the cumulative effect of a change in accounting principles;
- (5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);
- (6) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and
- (7) any net after-tax extraordinary or non-recurring gains,

provided that (A) solely for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any Investment Property arising from the difference between the current book value and the cash sale price shall be added to Consolidated Net Income; (B) for purposes of this Consolidated Net Income calculation (but not for purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio) any net after tax gains derived from direct or indirect sale by the Company or any Restricted Subsidiary of (i) Capital Stock of a Restricted Subsidiary primarily engaged in the holding of Investment Property or (ii) an interest in any

Investment Property arising from the difference between the original cost basis and the cash sale price shall be added to Consolidated Net Income to the extent not already included in the net income for such period as determined in conformity with GAAP and Consolidated Net Income and (C) solely for the purposes of calculating Consolidated EBITDA and the Fixed Charge Coverage Ratio, any net after tax gains on Investment Properties arising from fair value adjustments made in conformity with GAAP shall be added to Consolidated Net Income.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available quarterly, semi-annual or annual consolidated balance sheet (which may be an internal consolidated balance sheet) of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

“Contractor Guarantees” means any Guarantee by the Company or any Restricted Subsidiary of Indebtedness of any contractor, builder or other similar Person engaged by the Company or such Restricted Subsidiary in connection with the development, construction or improvement of assets, real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary in the ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

“Credit Facilities” means one or more debt facilities or commercial paper facilities or indentures or trust deeds or note purchase agreements or Capitalized Lease Obligations or other indebtedness, in each case, with banks or other lenders, institutions or investors providing for revolving credit loans, term loans, Receivable Financing, letters of credit, bonds, notes, debentures or other corporate debt instruments or other financing including, without limitation, Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a guarantee of Indebtedness of, or securing the Indebtedness of, any Person (other than the Company or a Restricted Subsidiary) by the Company or such Restricted Subsidiary, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to, any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders, institutions or investors or other banks, lenders, institutions or investors or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“Currency Hedging Agreement” means any foreign exchange forward contract, currency swap agreement, currency hedge agreement, currency option agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is 183 days after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the “–Limitation on Asset Sales” and “–Repurchase of Notes upon a Change of Control Triggering Event” covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such Notes

as are required to be repurchased pursuant to the “–Limitation on Asset Sales” and “–Repurchase of Notes upon a Change of Control Triggering Event” covenants.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“Entrusted Loans” means borrowings by a PRC Restricted Subsidiary from a bank that are secured by a pledge of deposits made by another PRC Restricted Subsidiary to the lending bank as security for such borrowings, *provided* that, such borrowings are not reflected on the consolidated balance sheet of the Company.

“Equity Offering” means (i) any underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date or (ii) any underwritten secondary public offering or secondary private placement of Common Stock of the Company beneficially owned by a Permitted Holder, after the Original Issue Date, to the extent that a Permitted Holder or a company controlled by a Permitted Holder concurrently with such public offering or private placement purchases in cash an equal amount of Common Stock from the Company at the same price as the public offering or private placing price; *provided* that any offering or placing referred to in (A) clause (i), (B) clause (ii), or (C) a combination of clauses (i) and (ii) result in the aggregate gross cash proceeds received by the Company being no less than US\$20.0 million (or the Dollar Equivalent thereof).

“Euroclear” means Euroclear Bank S.A./N.V.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Exempted Subsidiary” means any Restricted Subsidiary organized in any jurisdiction other than the PRC that is prohibited by applicable law or regulation to provide a Subsidiary Guarantee or a JV Subsidiary Guarantee (if any); *provided* that (x) the Company shall have failed, upon using commercially reasonable efforts, to obtain any required governmental or regulatory approval or registration with respect to such Subsidiary Guarantee or JV Subsidiary Guarantee, to the extent that such approval or registration is available under any applicable law or regulation and (y) such Restricted Subsidiary shall cease to be an Exempted Subsidiary immediately upon such prohibition ceasing to be in force or apply to such Restricted Subsidiary or upon the Company having obtained such applicable approval or registration.

“Existing Notes” means the US\$300 million 8.375% senior notes due 2021 issued by the Company pursuant to an indenture dated as of June 20, 2019 (as such may be amended, supplemented or modified from time to time).

“Fair Market Value” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution, except in the case of a determination of Fair Market Value of total assets for the purposes of determining a JV Entitlement Amount, in which case such price shall be determined by an accounting, appraisal or investment banking firm of recognized standing appointed by the Company.

“Financial Company Investor” means a bank, financial institution, trust company, fund management company, asset management company, financial management company or insurance company, or an Affiliate thereof, that invests in any Capital Stock of a PRC Restricted Subsidiary.

“Financial Report” means any quarterly, semi-annual or annual financial statements of the Company.

“Finance Subsidiary” means a Subsidiary of the Company or another Finance Subsidiary (including the Company) (i) that is a Restricted Subsidiary and whose operations are comprised of Incurring Indebtedness to Persons other than the Company, any Restricted Subsidiary permitted under the Indenture from time to time to finance the operations of the Company and/or its Subsidiaries and (ii) which conducts no business and owns no material assets other than any equity interests in a Finance Subsidiary or intercompany Indebtedness Incurred in connection with the Indebtedness described in clause (i).

“Finance Subsidiary Indebtedness” means Indebtedness of a Finance Subsidiary that is Guaranteed by one or more of: (i) the Company, (ii) any Subsidiary Guarantors or (iii) any JV Subsidiary Guarantors; *provided* that no Non-Guarantor Subsidiary shall provide any Guarantee to or be an obligor under such Indebtedness.

“Fitch” means Fitch Ratings, Inc. and its affiliates.

“Fixed Charge Coverage Ratio” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarter periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the “Four Quarter Period”) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

- (a) pro forma effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the “Reference Period”) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness, Disqualified Stock or Preferred Stock;
- (b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;
- (d) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
- (e) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged or consolidated with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (d) or (e) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the four full fiscal quarter periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“GAAP” means generally accepted accounting principles in Hong Kong as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into

for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided* that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Hedging Obligation” of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Agreement.

“Holder” means the Person in whose name a Note is registered in the Note register.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock shall not be considered an Incurrence of Indebtedness. The terms “Incurrence,” “Incurred” and “Incurring” have meanings correlative with the foregoing.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations;
- (9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends;
- (10) any Preferred Stock issued by such Person if such Person is a Restricted Subsidiary, valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; and
- (11) Receivable Financing Assets sold, transferred or discounted (other than pursuant to a Non-recourse Receivables Financing) by such Person to the extent of the consideration or proceeds received or receivable (prior to the payment of any subordinated tranche of interests (if any)) by such Person from another Person other than the Company or a Restricted Subsidiary.

Notwithstanding the foregoing, Indebtedness shall not include any capital commitments, deferred payment obligations, pre-sale receipts in advance from customers or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business or any Entrusted Loan; *provided* that such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent

obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided*

- (1) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (2) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest; and
- (3) that the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause (2)(f) under the “Limitation on Indebtedness and Preferred Stock” covenant, and (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at that time if not Incurred pursuant to such paragraph.

“Independent Third Party” means any Person that is not an Affiliate of the Company.

“Initial Non-Guarantor Subsidiaries” means Jinyu Holdings Group Co., Ltd. and Hong Kong Junde International Trade Co., Limited, for so long as such Person has not become a Subsidiary Guarantor or a JV Subsidiary Guarantor.

“Interest Rate Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“Investment” means:

- (1) any direct or indirect advance, loan or other extension of credit to another Person;
- (2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);
- (3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or
- (4) any Guarantee of any obligation of another Person.

For the purposes of the provisions of the “Designation of Restricted and Unrestricted Subsidiaries” and “Limitation on Restricted Payments” covenants: (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Company’s proportional interest in the Fair Market Value of the assets (net of the Company’s proportionate interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, (2) if the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Investment in any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company’s Investments in such Restricted Subsidiary that were not sold or disposed of; (3) the acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person on the date of any acquisition; and (4) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or

assigns, a rating of “AAA_g,” “AA_g,” “A_g” or “BBB_g,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by China Chengxin or any of its successors or assigns, or a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by Lianhe Global or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P, China Chengxin or Lianhe Global or two or three of them, as the case may be.

“Investment Property” means any property that is owned and held by the Company or any of its Restricted Subsidiaries primarily for rental yield or for capital appreciation or both, or any hotel, residential or commercial real property owned by the Company or any Restricted Subsidiary as an investment property.

“Jointly Controlled Entity” means any corporation, association or other business entity of which 20% or more of the voting power of the outstanding Capital Stock is owned, directly or indirectly, by the Company or a Restricted Subsidiary and such corporation, association or other business entity is treated as a “joint venture” in accordance with GAAP and is primarily engaged in a Permitted Business, and such Jointly Controlled Entity’s Subsidiaries.

“JV Entitlement Amount” means, with respect to any JV Subsidiary Guarantor which is not a Subsidiary of another JV Subsidiary Guarantor, together with its Subsidiaries, an amount that is equal to the product of (i) the Fair Market Value of the total assets of such JV Subsidiary Guarantor and its Subsidiaries, on a consolidated basis (without deducting any Indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal year end of the Company; and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or its Restricted Subsidiaries in the Capital Stock of such JV Subsidiary Guarantor and its Subsidiaries.

“JV Subsidiary Guarantee” has the meaning set forth under the caption “–The Subsidiary Guarantees.”

“JV Subsidiary Guarantor” means a Restricted Subsidiary that executes a JV Subsidiary Guarantee.

“Lianhe Global” means Lianhe Ratings Global Limited and its successors.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“Measurement Date” means June 20, 2019.

“Minority Interest Staged Acquisition Agreement” means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary agrees to acquire less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“NDRC” means the National Development and Reform Commission of the PRC.

“NDRC Notice” means the Notice on the Administrative Reform for the Registration of Offshore Debt Issuances (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) issued by the NDRC on September 14, 2015.

“Net Cash Proceeds” means:

- (1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

- (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
 - (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;
 - (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;
 - (d) appropriate amounts to be *provided* by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and
- (2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Non-recourse Receivable Financing” means Receivable Financing (i) under which neither the Company nor any Restricted Subsidiary (other than pursuant to Standard Non-recourse Receivable Financing Undertakings) provides guarantee or recourse with respect to the Receivable Financing Assets, undertakes to repurchase any Receivable Financing Assets, subjects any of its properties or assets, directly or indirectly, contingently or otherwise, to the satisfaction of any obligation related to the Receivable Financing Assets or undertakes to maintain or preserve the financial condition or operating results of the entity that purchases or otherwise receives the Receivable Financing Assets and (ii) is not reflected as liability on the consolidated balance sheet of the Company.

“Offer to Purchase” means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder at its last address appearing in the Note register stating:

- (1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Offer to Purchase Payment Date”);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or integral multiples of US\$1,000 in excess thereof.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes accepted for payment. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly by wire transfer to the Holders of Notes so accepted payment in an amount equal to the purchase price, and upon receipt of a written order of the Issuer signed by an Officer, the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or integral multiples of US\$1,000 in excess thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Company will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Officer" means one of the executive officers of the Company or, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be.

"Officers' Certificate" means a certificate signed by two Officers; *provided*, however, with respect to the Officers' Certificate required to be delivered by the Company or any Subsidiary Guarantor under the Indenture, Officers' Certificate means a certificate signed by one Officer if there is only one Officer in such Subsidiary Guarantor at the time such certificate is required to be delivered.

"Opinion of Counsel" means a written opinion from legal counsel who is reasonably acceptable to the Trustee.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Pari Passu Guarantee" means a guarantee by the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor of Indebtedness of the Company (including Additional Notes), another Finance Subsidiary or another Subsidiary Guarantor or JV Subsidiary Guarantor; *provided* that (1) the Company or such Finance Subsidiary, Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, was permitted to Incur such Indebtedness under the covenant described under the caption "–Limitation on Indebtedness and Preferred Stock" and (2) such guarantee ranks *pari passu* with the Notes, any outstanding Subsidiary Guarantee of such Subsidiary Guarantor, or with any outstanding JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be.

"Payment Default" means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, (3) the failure by the Company to make or consummate a Change of Control Offer in the manner described under the caption "– Repurchase of Notes upon a Change of Control Triggering Event," or an Offer to Purchase in the manner described under the

caption “– Limitation on Asset Sales” or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

“Permitted Businesses” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Restricted Subsidiaries on the Original Issue Date.

“Permitted Holders” means any or all of the following:

- (1) Mr. Huang Hongyun;
- (2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of any Person specified in clause (1);
- (3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by one or more Persons specified in clauses (1) and (2); and
- (4) any Person who agrees in writing to act in concert together with Mr. Huang Hongyun for the purpose of acquiring, holding, voting or disposing of Capital Stock of the Company.

“Permitted Investment” means:

- (1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;
- (2) any Investment in cash or Temporary Cash Investments;
- (3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;
- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) any Investment pursuant to a Hedging Obligation entered into in the ordinary course of business (and not for speculation) and designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables, trade credits or other current assets owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (8) Investments made by the Company or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale made in compliance with the covenant described under the caption “– Limitation on Asset Sales”;
- (9) pledges or deposits (x) with respect to leases or utilities *provided* to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “– Limitation on Liens”;
- (10) any Investment pursuant to Pre-Registration Mortgage Guarantees or Contractor Guarantees by the Company or any Restricted Subsidiary otherwise permitted to be Incurred under the Indenture;
- (11) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

- (12) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company's consolidated balance sheet;
- (13) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;
- (14) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers compensation claims, welfare and social benefits, property maintenance and other purposes specified by statute or regulation from time to time in the ordinary course of business;
- (15) deposits made in order to secure the performance or obligations to provide indemnity, compensation, reimbursement or warranty of the Company or any of its Restricted Subsidiaries in connection with the acquisition, construction, development, sale and delivery of, or prepayments made in connection with the direct or indirect acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any of its Restricted Subsidiaries (including, without limitation, by way of acquisition of Capital Stock of a Person), in each case in the ordinary course of business;
- (16) advances or prepayments to, or advances, prepayments or expenses made or incurred for or on behalf of government authorities or government-affiliated entities, collective economic organizations, existing land or building owners, holders, occupants or lessees, or related agents in the PRC in connection with the financing of primary land development, land resettlement or urban redevelopment plans in the ordinary course of business that are recorded as assets in the Company's balance sheet;
- (17) Guarantees permitted under clause (2)(p) or (2)(s) of the covenant described under “– Limitation on Indebtedness and Preferred Stock”;
- (18) any Investment by the Company or any Restricted Subsidiary (including without limitation any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the issuance or sale of Capital Stock of a Restricted Subsidiary) in any Person (excluding the Investments made pursuant to other clauses of this definition of “Permitted Investment”); *provided that*:

- (i) the aggregate of all Investments made under this clause (18) since the Measurement Date shall not exceed in aggregate an amount equal to 30.0% of Total Assets.

Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (18) since the Measurement Date resulting from:

- (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (18), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
- (B) the unconditional release of a Guarantee *provided* by the Company or a Restricted Subsidiary after the Measurement Date under this clause of an obligation of any such Person,
- (C) to the extent that an Investment made after the Measurement Date under this clause (18) is sold or otherwise liquidated, repaid or readvanced for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment,
- (D) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, or
- (E) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Company or any Restricted Subsidiary in such Person since the Measurement Date shall be deemed to have been made pursuant to clause (1) of the definition of “Permitted Investment”),

not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person pursuant to this clause (18),

- (ii) none of the other shareholders or partners in such Person in which such Investment was made pursuant to this clause (18) is a Person described in clauses (x) or (y) of the first paragraph of the covenant described under the caption “–Limitation on Transactions with Shareholders and Affiliates” (other than by reason of such shareholder or partner being an officer or director of the Company or a Restricted Subsidiary or by reason of such shareholder or partner being a Subsidiary, Jointly Controlled Entity or Associate of the Company), except to the extent that such Investment would have satisfied the requirements of the covenant described under “–Limitation on Transactions with Shareholders and Affiliates” as if such Investment were an Affiliate Transaction; and
 - (iii) no Default has occurred and is continuing or would occur as a result of such Investment;
- (19) Investments existing on the Original Issue Date;
 - (20) repurchase or redemption of the Notes;
 - (21) any Investment in a subordinated tranche of interests in a Receivable Financing Incurred pursuant to clause (ii) of the definition thereof with multiple tranches offered and sold to investors that, in the good faith determination of the Board of Directors, are necessary or advisable to effect such Receivable Financing;
 - (22) any Standard Non-recourse Financing Undertakings; and
 - (23) any obligation, undertaking, agreement or arrangement to repurchase, indemnify or make up difference in payments in connection with any Receivable Financing permitted under the Indenture.

For the avoidance of doubt, the value of each Investment made pursuant to this clause shall be valued at the time such Investment is made.

“Permitted Liens” means:

- (1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds, utility services, developer’s or other obligation to make site or off-site improvement and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;
- (5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;
- (6) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens

do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided* further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

- (7) Liens in favor of the Company or any Restricted Subsidiary;
- (8) Liens arising from the attachment or rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (9) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof or liens in favor of any bank having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Restricted Subsidiary on deposit with or in possession of such bank incurred in the ordinary course of business which do not provide security for borrowed money;
- (10) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (f) of the second paragraph of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”;
- (11) Liens existing on the Original Issue Date;
- (12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (e) of the second paragraph of the covenant described under the caption entitled “– Limitation on Indebtedness and Preferred Stock”; *provided* that such Liens (other than Liens securing Indebtedness to refinance Project Debt, *provided* that the real estate project financed by such Project Debt remains consolidated asset of the Company and its Subsidiaries as of the time such refinancing) do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
- (13) any interest or title of a lessor in the property subject to any operating lease;
- (14) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under clause (g) of the second paragraph of the covenant described under the caption “– Limitation on Indebtedness and Preferred Stock”;
- (15) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;
- (16) Liens (including extensions and renewals thereof) upon real or personal property; *provided* that, (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under clause (2)(h) of the covenant described under the caption entitled “– Certain Covenants – Limitation on Indebtedness and Preferred Stock” and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction or improvement of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement and (c) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item; *provided* that, in the case of clauses (b) and (c), such Lien may cover other property or assets (instead of or in addition to such item of property or improvements) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets (as reflected in the most recent available consolidated financial statements of the Company (which may be internal consolidated financial statements) or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (16) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;

- (17) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (18) Liens on deposits made in order to secure the performance or obligations to provide indemnity, compensation, reimbursement or warranty of the Company or any of its Restricted Subsidiaries in connection with the acquisition, construction, development, sale and delivery of real property or land use rights or personal property (including but not limited to Capital Stock) by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (19) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers compensation claims, welfare and social benefits, property maintenance and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (20) Liens on deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries in connection with the acquisition of real property or land use rights or personal property (including without limitation, Capital Stock) by the Company or any of its Restricted Subsidiaries (including, without limitation, by way of acquisition of Capital Stock of a Person) in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (21) Liens granted by the Company or a Restricted Subsidiary in favor of a Financial Company Investor in respect of, and to secure, the Indebtedness permitted under clause 2(p) of the covenant described under the “– Certain Covenants – Limitation on Indebtedness and Preferred Stock” covenant;
- (22) Liens securing Indebtedness permitted under clause (2)(n) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;
- (23) Liens on the Capital Stock of the Person that is to be acquired under the relevant Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clause (2)(o) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;
- (24) Liens on the Capital Stock of the Person that is to be acquired under the relevant Minority Interest Staged Acquisition Agreement securing Indebtedness permitted to be Incurred under clause (2)(v) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock;”
- (25) Liens incurred on one or more bank accounts or deposits made to secure Bank Deposit Secured Indebtedness permitted under clause (2)(q) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;
- (26) Liens securing Indebtedness permitted under clause (2)(s) of the covenant described under “– Certain Covenants Limitation on Indebtedness and Preferred Stock”;
- (27) Liens Incurred on deposits made to secure Entrusted Loans;
- (28) Liens on deposits securing the obligations of the Company or a Restricted Subsidiary to return or refund, or arising from any pledge, charge of or encumbrance on the use, application, transfer or disposition of, all or part of the membership fee, entrance fee, application fee, debenture or other payments of a similar nature paid by a customer purchasing, renting or otherwise obtaining a right to use any property;
- (29) Lien securing Attributable Indebtedness that is permitted to be Incurred under the Indenture;
- (30) Liens placed on the Capital Stock of any non-Wholly Owned Subsidiary or joint venture in the form of a transfer restriction, purchase option, call or similar right of a third party joint venture partner;
- (31) Liens on Investment Properties securing Indebtedness of the Company or Restricted Subsidiary permitted under clause (2)(u) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”;

- (32) Liens on Receivable Financing Assets in respect of a Non-recourse Receivable Financing;
- (33) Liens with respect to obligations of the Company or any Restricted Subsidiary that do not exceed US\$10.0 million (or the Dollar Equivalent thereof) at any one time outstanding; and
- (34) Liens securing any Indebtedness permitted under clause (2)(w) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock” (other than Liens on the assets of any Subsidiary Guarantor or JV Subsidiary Guarantor).

“Permitted Subsidiary Indebtedness” means Indebtedness of, and all Preferred Stock issued by, the Non-Guarantor Subsidiaries (other than Finance Subsidiary Indebtedness); *provided* that, on the date of the Incurrence of such Indebtedness or issuance of such Preferred Stock and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness or issuance of such Preferred Stock (excluding, without duplication, any Indebtedness of any Restricted Subsidiary permitted under clauses 2(a), (b), (d), (f), (g), (m) and (o) of the covenant described under “– Certain Covenants – Limitation on Indebtedness and Preferred Stock”) does not exceed an amount equal to 20% of the Total Assets.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pre-Registration Mortgage Guarantee” means any Indebtedness of the Company or any Restricted Subsidiary consisting of (i) a guarantee in favor of any bank or other similar financial institutions in the ordinary course of business of secured loans of purchasers of individual units of properties from the Company or any Restricted Subsidiary or (ii) a guarantee or deposit made for housing provident fund loans *provided* to customers in favor of, or representing amounts placed with, Housing Provident Fund Management Center or another organization responsible for the operation and management of housing provident fund, to secure the housing provident fund loans *provided* to customers; *provided* that, any such guarantee shall be released in full on or before the perfection of a security interest in such properties under applicable law in favor of the relevant lender.

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“PRC CJV” means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People’s Republic of China on Sino- foreign Cooperative Joint Ventures adopted on April 13, 1988 (as most recently amended on September 3, 2016) and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995, as such laws may be amended.

“PRC CJV Partner” means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.

“PRC Restricted Subsidiary” means a Restricted Subsidiary organized under the laws of the PRC.

“Project Debt” means Indebtedness by the Company or a Restricted Subsidiary for the purposes of financing the acquisition, development, construction, operation or maintenance of a real estate project.

“Rating Agencies” means (1) S&P, (2) China Chengxin and (3) Lianhe Global, *provided* that if S&P, China Chengxin or Lianhe Global, two of any of the three or all three of them shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P, China Chengxin, Lianhe Global, two of any of the three or all three of them, as the case may be.

“Rating Category” means (1) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to China Chengxin, any of the following categories: “BBg,” “Bg,” “CCCg,” “CCg,” “Cg” and “Dg” (or equivalent successor categories); (3) with respect to Lianhe Global, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); and (4) the equivalent of any such category of S&P, China Chengxin or Lianhe Global used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P; “+” and “-” for China Chengxin; “+” and “-” for Lianhe Global;

or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from “BB+” to “BB,” as well as from “BB-” to “B+,” will constitute a decrease of one gradation).

“Rating Date” means (1) in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control or (2) in connection with actions contemplated under the caption “– Consolidation, Merger and Sale of Assets”, that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

“Rating Decline” means (1) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (2) in connection with actions contemplated under the caption “– Consolidation, Merger and Sale of Assets”, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (a) in the event the Notes are rated by all three of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any two of the three Rating Agencies shall be below Investment Grade;
- (b) in the event the Notes are rated by any two, but not all three, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any of such two Rating Agencies shall be below Investment Grade;
- (c) in the event the Notes are rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or
- (d) in the event the Notes are rated by three or less than three Rating Agencies and are rated below Investment Grade by all such Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Receivable Financing” means any financing transaction or series of financing transactions that have been or may be entered into by the Company or any Restricted Subsidiary pursuant to which the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to another Person, or may grant a security interest in, any receivables, royalty, other revenue streams or interests therein (including without limitation, all security interests in goods financed thereby (including equipment and property), the proceeds of such receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization or factoring transactions involving such assets) for credit or liquidity management purposes (including discounting, securitization or factoring transactions) either (i) in the ordinary course of business or (ii) by way of selling securities that are, or are capable of being, listed on any stock exchange or in any securities market and are offered using an offering memorandum or similar offering document.

“Receivable Financing Assets” means assets that are underlying and are sold, conveyed or otherwise transferred or pledged in a Receivable Financing.

“Reference Treasury Dealer” means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in the City of New York, selected by the Company in good faith.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company in good faith, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings Services and its affiliates.

“SAFE” means the State Administration of Foreign Exchange of the PRC.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Securitization Fees” means distributions or payments made directly or by means of discounts with respect to any Receivable Financing Asset or participation interest therein issued or sold in connection with and other fees paid to a Person that is not a Restricted Subsidiary in connection with any Receivable Financing.

“Senior Indebtedness” of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes, (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee, or (c) in respect of any Restricted Subsidiary that is a JV Subsidiary Guarantor, its JV Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

“Significant Restricted Subsidiary” means a Restricted Subsidiary, or group of Restricted Subsidiaries, that would, when taken together, be a “significant subsidiary” within the meaning of the definition of “significant subsidiary” in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Original Issue Date; *provided* that in each instance in such definition in which the term “10 percent” is used, the term “5 percent” shall be substituted therefor.

“Staged Acquisition Agreement” means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary agrees to acquire not less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“Standard Non-recourse Receivable Financing Undertakings” means representations, warranties, undertakings, covenants and indemnities entered into by the Company or any Restricted Subsidiary which the Company has determined in good faith to be customary for a seller or servicer of assets in Non-recourse Receivable Financings.

“Stated Maturity” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“Subordinated Indebtedness” means any Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“Subordinated Shareholder Loan” means any loan to the Company from Permitted Holders which (i) is subordinated in right of payment to the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect, (ii) by its terms (and by the terms of any security into which it is convertible or for which it is exchangeable) does not mature and is not required to be repaid, pursuant to a sinking fund obligation event of default or otherwise, in whole or in part, on or prior to the Stated Maturity of the Notes and (iii) does not provide any cash payment of interest.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity (i) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and in each case which is “controlled” and consolidated by such Person in accordance with GAAP; *provided*, however, that with respect to clause (ii), the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be “controlled”

by such Person under the GAAP and to constitute a Subsidiary of such Person shall be deemed to be an Investment by such Person in such entity.

“Subsidiary Guarantee” means any Guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

“Subsidiary Guarantor” means any Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include (a) any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes or (b) any JV Subsidiary Guarantor.

“Temporary Cash Investment” means any of the following:

- (1) direct obligations of the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency of any of the foregoing, in each case maturing within one year, which in the case of obligations of, or obligations Guaranteed by, any state of the European Economic Area, shall be rated at least “A” by S&P or Moody’s;
- (2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, any state of the European Economic Area or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;
- (4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P;
- (5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s;
- (6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and
- (7) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with any banks or financial institutions organized under the laws of the PRC, Hong Kong, Singapore or any other jurisdictions where the Company or any of its Restricted Subsidiaries conducts or operates business or makes investment; and
- (8) investment products that are principal protected with any bank or financial institution organized under the laws of the PRC, Hong Kong, Singapore or any other jurisdictions where the Company or any of its Restricted Subsidiaries conducts or operates business or makes investment subject to applicable laws and regulations, if held to maturity.

“Total Assets” means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); *provided* that:

- (1) only with respect to clause (2)(h) of “– Certain Covenants – Limitation on Indebtedness and Preferred Stock” covenant and the definition of “Permitted Subsidiary Indebtedness,” Total Assets shall be calculated after giving *pro forma* effect to include the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefor or budgeted cost *provided* in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institutional lender providing such Indebtedness;
- (2) only with respect to clause (2)(t) of “– Certain Covenants – Limitation on Indebtedness and Preferred Stock” covenant, with respect to the Incurrence of any Acquired Indebtedness as a result of any Person becoming a Restricted Subsidiary, Total Assets shall be calculated after giving *pro forma* effect to include the consolidated assets of such Restricted Subsidiary and any other change to the consolidated assets of the Company as a result of such Person becoming a Restricted Subsidiary; and
- (3) only with respect to any Person becoming an Other Non-Guarantor Subsidiary, *pro forma* effect shall at such time be given to the consolidated assets of such Other Non-Guarantor Subsidiary (including giving *pro forma* effect to any other change to the consolidated assets of the Company, in each case as a result of such Person becoming an Other Non-Guarantor Subsidiary).

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“Transaction Date” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“Unrestricted Subsidiary” means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner *provided* in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Obligations” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Wholly Owned” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person; *provided* that Subsidiaries that are PRC CJVs shall not be considered Wholly Owned Subsidiaries unless such Person or one or more Wholly Owned Subsidiaries of such Person is entitled to 95% or more of the economic benefits distributable by such Subsidiary.

TAXATION

The following summary of certain Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions as of the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Hong Kong Taxation

Withholding Tax

No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the Notes) or interest in respect of the Notes.

Profits Tax

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Interest payments on the Notes will be subject to Hong Kong profits tax where such payments are received by or accrue to:

- a financial institution (as defined in the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)) and the income arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- a corporation carrying on a trade, profession or business in Hong Kong, where such interest is derived from Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong, such payment is in respect of the funds of the trade, profession or business, where such interest is derived from Hong Kong.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on sums derived from the sale, disposal or redemption of the Notes where such sums are received by or accrue to a person, not being a financial institution, from the carrying on of a trade, profession or business carried on in Hong Kong and the sums have a Hong Kong source, or where such sums are received by or accrue to a financial institution by way of gains on profit arising from or through the carrying on by the financial institution of its business in Hong Kong.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note (for so long as the register of holders of the Notes is maintained outside Hong Kong).

PRC TAXATION

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as “non-resident Noteholders” in this “Taxation – PRC Taxation” section. In considering whether to invest in the Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Income Tax and Value-Added Tax

Pursuant to the EIT Law, the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”) and the implementation rules in relation to both the EIT Law and the IIT Law, PRC income

tax at a rate of 10% or 20% is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest and any redemption premium paid to non-resident Noteholders will be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10% for non-resident enterprise Noteholders and at a rate of 20% for non-resident individual Noteholders (or a lower treaty rate, if any). Such income tax shall be withheld by the Issuer that is acting as the obligatory withholder, and the Issuer shall withhold the tax amount from each payment. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-resident enterprise or individual Noteholders. However, it is unclear whether in practice non-resident Noteholders might be able to obtain the benefit of income tax treaties entered into between PRC and their countries.

Under the EIT Law and its implementation rules, any gains realized on the transfer of the Notes by holders who are deemed under the EIT Law as non-resident enterprises may be subject to EIT if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organization is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realized on the transfer of the Notes consummated outside of the PRC between non-PRC resident Noteholders would be treated as income derived from sources within the PRC and be subject to EIT. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days in aggregate within a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realized on the transfer of the Notes consummated outside of the PRC between non-PRC resident Noteholders will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10% enterprise income tax rate and 20% individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “Arrangement”) which was promulgated on August 21, 2006, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes if such capital gains are not connected with an office or establishment that the Noteholders have in the PRC and all the other relevant conditions are satisfied. However, it is unclear whether in practice non-resident Noteholders might be able to obtain the benefit of income tax treaties entered into between PRC and their countries.

Pursuant to the Notice on Adjustment of Transfer Business Tax to Appreciation Tax (《關於全面推開營業稅改增值稅試點的通知》) issued on March 23, 2016 and implemented on May 1, 2016 (the “Circular 36”) by the MOF and the SAT, effective from May 1, 2016, and partially repealed by the Notice on Pilot Policies of Transfer Business Tax to Appreciation Tax for Construction Services and Other Sectors(《關於建築服務等營改增試點政策的公告》) which was effective on July 1, 2017 and the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) which was effective on April 1, 2019, PRC tax authorities have started imposing value-added tax (“VAT”) on operating revenues from various service sectors, including real estate, construction, financial services and insurance, as well as other lifestyle service sectors, to replace the business tax that coexisted with VAT for over 20 years. In the event that the seller is an entity or individual which does not have a business establishment in the PRC, the purchaser of the services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan services, financial services of direct charges, insurance services and the transfer of financial instruments, and the applicable VAT rate is 6%.

Accordingly, the interest and other interest like earnings received by a non-resident Noteholder from the Issuer may be subject to PRC VAT at the rate of 6%. If VAT is applicable to payments on the Notes, the Issuer will be obligated to withhold VAT of 6% and certain surcharges on payments of interest and other amounts on the Notes paid by the Issuer to Noteholders that are non-resident enterprises or individuals. According to the Interim Regulation of the PRC on Urban Maintenance and Construction Tax (中華人民共和國城市維護建設稅暫行條例), the Interim Provisions on the Collection of Educational Surcharges (徵收教育費附加的暫行規定) and

Notice of MOF on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges (《財政部關於統一地方教育附加政策有關問題的通知》), certain surcharges include an urban maintenance and construction tax (1%, 5% or 7%, as applicable, in the case of the Issuer), an educational surcharge (3.0%) and a local educational surcharge (1.5% or 2%, as applicable).

However, there is uncertainty as to whether gains derived from a sale or exchange of Notes consummated outside of the PRC between non-PRC resident Noteholders will be subject to VAT. VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realized upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

However, despite the withholding of the PRC tax by the Issuer as mentioned above, the Issuer has agreed, subject to certain exceptions, to increase the amounts paid by it to the extent required, so that the net amount received by Noteholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, as further set out in “Description of the Notes”.

Stamp Duty

No PRC stamp duty will be imposed on non-resident Noteholders either upon issuance of the Notes or upon a subsequent transfer of Notes to the extent that the register of holders of the Notes is maintained outside the PRC and the issuance and the sale of the Notes is made outside of the PRC.

PLAN OF DISTRIBUTION

China International Capital Corporation Hong Kong Securities Limited is acting as the sole global coordinator and China International Capital Corporation Hong Kong Securities Limited, China CITIC Bank International Limited, CMBC Securities Company Limited, CMB International Capital Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited and The Bank of East Asia, Limited are acting as the joint bookrunners, joint lead managers and initial purchasers of the offering. Subject to the terms and conditions stated in the purchase agreement dated the date of this offering memorandum, each Initial Purchaser named below has severally agreed to purchase, and we have agreed to sell to such Initial Purchaser, the principal amount of the Notes set forth apposite such Initial Purchaser's name.

Initial Purchaser	Principal Amount of Notes
China International Capital Corporation Hong Kong Securities Limited.....	US\$277,000,000
China CITIC Bank International Limited.....	US\$8,000,000
CMBC Securities Company Limited.....	US\$8,000,000
CMB International Capital Limited.....	US\$8,000,000
Guotai Junan Securities (Hong Kong) Limited	US\$8,000,000
Haitong International Securities Company Limited	US\$8,000,000
The Bank of East Asia, Limited	US\$8,000,000
Total.....	US\$325,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The purchase agreement may be terminated by the Initial Purchasers in certain circumstances prior to the delivery and payment of the Notes. In addition, we have agreed with the Initial Purchasers that we will pay a commission to private banks in connection with the purchase of the Notes by their private bank clients.

The Initial Purchasers propose to resell the Notes at the issue price set forth on the cover page of this offering memorandum only outside the United States in offshore transactions in reliance on Regulation S. The price at which the Notes are offered may be changed at any time without notice. The Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

We have agreed that, for a period of 30 days from the Original Issue Date, we will not, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell or otherwise dispose of, except as provided under the purchase agreement, any debt securities issued or guaranteed by the Issuer or the Subsidiary Guarantors (if any), or securities that are convertible into or exchangeable for the securities or such other debt securities.

The Notes will constitute a new class of securities with no established trading market. Application will be made to HKSE for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Initial Purchasers have advised us that they currently intend to make a market in the Notes. However, the Initial Purchasers are not obligated to do so and they may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the Notes.

In connection with this offering, any of the Initial Purchasers (other than China CITIC Bank International Limited) appointed and acting in its capacity as a stabilizing manager (or persons acting on behalf of any stabilizing manager(s)) may over allot notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over allotment must be conducted by the relevant stabilizing manager(s) (or person(s) acting on behalf of any stabilizing manager(s)) in accordance with all applicable laws and rules.

We expect to deliver the Notes against payment for the Notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the third business day following the date of the pricing of the Notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in two business days. Purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+3, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own advisor.

The Initial Purchasers or their respective affiliates have performed commercial banking, investment banking or advisory services for us from time to time for which they have received customary fees and reimbursement of expenses. The Initial Purchasers or their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of business for which they may receive customary fees and reimbursement of expenses. We may enter into hedging or other derivative transactions as part of our risk management strategy with the Initial Purchasers, which may include transactions relating to our obligations under the Notes. Our obligations under these transactions may be secured by cash or other collateral.

In connection with this offering of the Notes, each Initial Purchaser and/or its affiliate(s) may act as an investor for its own account and may take up Notes in the offering and in that capacity may retain, purchase or sell for its own account such securities and any of our other securities or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to the Initial Purchaser and/or its affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or their respective affiliates on behalf of us in such jurisdiction.

SELLING RESTRICTIONS

General

No action has been taken or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to the Notes or this offering, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions.”

European Economic Area

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering memorandum to any retail investor in the European Economic Area. For the purposes of this provision:

- a) the expression “retail investor” means a person who is one (or more) of the following:
 - i. a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- ii. a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

PRIIPS Regulation / Prospectus Directive / Prohibition of Sales to EEA Retail Investors

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

MiFID II product governance/Professional investors and ECPs only target market

Solely for the purposes of any EU manufacturer’s product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (a “**distributor**”) should take into consideration the EU manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the EU manufacturer’s target market assessment) and determining appropriate distribution channels.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/ 2014 as it forms part of domestic law by virtue of the EUWA.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Company. All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to any Notes in, from or otherwise involving the United Kingdom.

Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Hong Kong

This offering memorandum neither constitutes a “prospectus” (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) (the “**Companies (Winding Up and Miscellaneous Provisions) Ordinance**”), nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**Securities and Futures Ordinance**”). This offering memorandum is for distribution in Hong Kong only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Each Initial Purchaser has represented, severally and not jointly, warranted and agreed, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or in circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning thereof, and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning ascribed to it in the Securities and Futures Ordinance and any rules made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “**FIEL**”), and disclosure under the FIEL has not been made with respect to the Notes. Accordingly, the Notes may not be offered or sold, directly or indirectly in Japan or to, or for the account of, any resident of Japan, or to others for re-offering or resale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEL and otherwise in compliance with the FIEL and other applicable provisions of Japanese laws and regulations. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

Each Initial Purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Company has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRC

Each Initial Purchaser has acknowledged that this offering memorandum does not constitute a public offer of the Notes, whether by way of sale or subscription, in the PRC. Each Initial Purchaser has severally represented and agreed that, except to the extent consistent with applicable laws and regulations in the PRC, the Notes are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements in the PRC, with the exception to the extent consistent with applicable laws and regulations in the PRC, the Notes may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes. The Notes are subject to restrictions on transfer as summarized below. By purchasing the Notes, you will be deemed to have made the following acknowledgements, representations to, and agreements with, us and the Initial Purchasers:

1. You understand and acknowledge that:
 - the Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) have not been registered under the Securities Act or any other applicable securities laws;
 - the Notes are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and
 - unless so registered, the Notes may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph 4 below.
2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, you are not acting on our behalf, and you are purchasing the Notes in an offshore transaction in accordance with Regulation S.
3. You acknowledge that neither we nor the Initial Purchasers nor any person representing us or the Initial Purchasers have made any representation to you with respect to us or the offering of the Notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase the Notes including an opportunity to ask questions of and request information from us.
4. You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act.
5. You also acknowledge that each Note will contain a legend substantially to the following effect:

THIS NOTES, THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.
6. You acknowledge that we, the Initial Purchasers, the Trustee, the Transfer Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Notes is no longer accurate, you will promptly notify us and the Initial Purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.
7. You understand that the Notes initially will be represented by a global note and that transfers thereto are restricted as described under "*Description of the Notes – Book-Entry; Delivery and Form.*"

SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN PRC GAAP AND IFRS

Our consolidated financial statements included in this offering memorandum have been prepared and presented in accordance with PRC GAAP. Certain differences arise between PRC GAAP and IFRS which might be relevant to our financial information included herein.

The following is a general summary of certain significant differences between PRC GAAP and IFRS as applicable to us. The differences identified below are limited to those significant differences that are appropriate to our financial statements. We are responsible for preparing the summary set out below. As such matters reported herein are not meant to be exhaustive or exclusive, there is no assurance regarding the completeness of the summary.

We have not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and have not quantified such differences. Had any such quantification or reconciliation been undertaken by us, other potentially significant accounting and disclosure differences may be required that are not identified below. In addition, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standard.

Regulatory bodies that promulgate PRC GAAP and IFRS have significant projects on-going that could affect future comparisons such as this one. Furthermore, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. As a result, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, you should rely upon your own examination of our financial information, the terms of the offering and other disclosure contained herein.

Accounting Period

Under PRC GAAP, the accounting period is from January 1 to December 31.

IFRS requires financial statements to be presented at least annually. However, it does not specify the start or end of the financial reporting period and permits an entity to change its reporting date.

Format of Financial Statements and Items Presented

PRC GAAP contains detailed requirements on the format of financial statements and the items to be presented.

IFRS sets out overall principles and minimum line items to be presented but does not prescribe the formats in detail.

Classification of Expenses in the Income Statement/Statement of Comprehensive Income

Under PRC GAAP, expenses must be classified based on their function in the income statement.

Under IFRS, enterprises may classify expenses either based on the nature of the expenses or their function in the statement of comprehensive income, depending on which format is considered reliable and more relevant.

Statement of Cash Flows

Under PRC GAAP, cash flows from operating activities should use both direct and indirect method.

Under IFRS, cash flows from operating activities should use either direct or indirect method.

Accounting for Business Combinations Involving Entities under Common Control

Under PRC GAAP, enterprises use the purchase method in most case, however, business combination involving entities under common control may be accounted for using the pooling of interest method or other similar methods in practices.

IFRS provides a definition of “Business combinations involving enterprises under common control.” However, it uses this definition to scope out such business combinations from the requirements of IFRS and does not contain any alternative detailed accounting rules for such transactions.

In practice, divergent accounting treatments exist under IFRS. For example, some enterprises refer to generally accepted accounting principles in the United States, which is similar to PRC GAAP in principle. However, other enterprises apply the accounting treatments of business combinations not involving enterprises under common control as set out in IFRS.

Non-Controlling Interest/Minority Interest

Under PRC GAAP, the acquirer should always recognize the minority interest at the minority shareholders’ proportionate interest in the acquiree’s identifiable net assets.

Under IFRS, the acquirer can choose, on an acquisition by acquisition basis, whether to measure components of non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

Investment Properties

Under PRC GAAP, an enterprise shall use the cost model, unless there is clear evidence that the fair value of an investment property can be reliably determined on a continuing basis, in which case the fair value model can (but need not) be used for that property.

Under IFRS, an enterprise should make a policy choice to use either the cost model or fair value model.

Fixed Assets and Intangible Assets

Under PRC GAAP, only the cost model is permitted.

Under IFRS, an enterprise should make a policy choice, on a class by class basis, to carry items fixed assets held for own use using either the cost model or the revaluation model.

Borrowing Costs Eligible for Capitalization

Under PRC GAAP all exchange differences arising from the retranslation of the principal and interest of a specific foreign currency borrowing are eligible for capitalization.

Under IFRS, borrowing costs eligible for capitalization include exchange differences arising from foreign currency borrowings only to the extent that they represent an adjustment to interest costs.

Impairment of Assets (Including Long-Term Assets Measured At Historical Cost, Such As Fixed Assets and Intangible Assets, and Assets Held For Sale)

Under PRC GAAP, once an impairment loss is recognized, it shall not be reversed in a subsequent period.

Under IFRS, impairment losses recognized in prior periods for an asset other than goodwill should be reversed when the recoverable amount of the asset increases as a result of a change in estimates.

Land Use Rights

Under PRC GAAP, the cost of acquiring a land use right is generally recognized as investment property, intangible assets (if held for own use) or inventories, depending on the use of the land.

Under IFRS, the cost of acquiring a land use right (or other leasehold interest in land) is generally recognized as an operating lease prepayment, and cannot be revalued. The only exception is where the land interest is eligible to be classified as investment property. There is diversity in practice as to whether the cost of land use rights (or other leasehold interests held under operating leases) is classified as inventory when the land interest is held for re-sale in the ordinary course of business.

RATINGS

The Notes are expected to be rated “B+” by S&P, “BBg+” by China Chengxin and “BB+” by Lianhe Global. The ratings reflect the rating agencies’ assessment of the likelihood of timely payment of the principal of and interest on the Notes. The ratings do not constitute recommendations to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. Each such rating should be evaluated independently of any other rating on the Notes, on other securities of ours, or on us. Additionally, we have been assigned a corporate credit rating of “BB-” with a stable outlook by S&P, “B1” with a positive outlook by Moody’s, “BBg+” with a stable outlook by China Chengxin and “BB+” with a stable outlook by Lianhe Global. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by King & Wood Mallesons as to matters of United States federal and New York law and AllBright Law Offices as to matters of PRC law. Certain legal matters will be passed upon for the Initial Purchasers by Norton Rose Fulbright Hong Kong as to matters of United States federal and New York law and Tahota Law Firm as to matters of PRC law.

INDEPENDENT AUDITOR

Our audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020, included in this offering memorandum, were issued by Pan-China CPA, as stated in their reports appearing herein.

GENERAL INFORMATION

Consents

We have obtained all necessary consents, approvals and authorizations in the PRC and Hong Kong in connection with the issue and performance of the Notes. The entering into of the Indenture and the issue of the Notes have been authorized by a resolution of the board of directors of the Issuer dated August 27, 2020.

Documents Available

For so long as any of the Notes are outstanding, copies of the Indenture may be inspected free of charge during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee upon reasonable advance notice being given to the Trustee.

For so long as any of the Notes are outstanding, copies of our audited financial statements for the most recent two fiscal years may be obtained during normal business hours on any weekday (except public holidays) at the corporate trust office of the Trustee upon reasonable advance notice being given to the Trustee.

Litigation

Except as disclosed in this offering memorandum, there are no legal or arbitration proceedings against or affecting us, any of our subsidiaries or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes.

No Material Adverse Change

Except as disclosed in this offering memorandum, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since December 31, 2020 that is material in the context of the issue of the Notes.

Clearing Systems and Settlement

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	<u>ISIN</u>	<u>Common Code</u>
Notes	XS2338347003	233834700

Only Notes evidenced by a Global Note have been accepted for clearance through Euroclear and Clearstream.

Listing of the Notes

Application will be made to the HKSE for the listing of, and permission to deal in, the Notes issued to Professional Investors only and such permission is expected to become effective on or about May 31, 2021.

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⁶⁵ Investors should note that English translation of our financial statements attached to this offering memorandum are for reference only. The original Chinese version of all such financial statements has been incorporated by reference. The original Chinese version of our consolidated financial statements is available on the Company's website at <https://www.jinke.com/investor/report/>. See "Presentation of Financial Information."

重庆市注册会计师协会 业务报告防伪标识信息



扫描二维码、访问 <http://ywxt.cqicpa.org.cn>,
和关注微信公众号 [cqicpa](#) 输入防伪标识均可查询报告信息。

防伪标识编码：0210 3311 1470 0545 04

报告文号：天健审（2021）8-126号

客户名称：金科地产集团股份有限公司

事务所名称：天健会计师事务所（特殊普通合伙）

报告类型：报表审计 无保留意见

报告出具日期：2021-03-31

报告录入日期：2021-03-31

签字注册会计师：弋守川、唐明

说明：本页信息仅证明该报告已在重庆市注册会计师协会报备，不能视作重庆市注册会计师协会对报告真实性做出任何形式的保证。

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Auditor's Report

PCCPAAR [2021] No. 8-126

To the Shareholders of Jinke Property Group Co., Ltd.:

I. Audit Opinion

We have audited the accompanying financial statements of Jinke Property Group Co., Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2020, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

(I) Recognition of revenue from real estate development projects

1. Key audit matters

Please refer to section III (XXVIII) and V (II) 1 of the notes to the financial statements for details. In 2020, revenue from real estate development projects accounted for 92.96% of the Company's total operating revenue. As revenue from many real estate development projects is carried forward and the small errors in the sales revenue recognition of individual real estate development project may have a significant impact on the Company's profit in the aggregate, we have identified recognition of revenue from real estate development projects as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for recognition of revenue from real estate development projects are as follows:

(1) We obtained understandings of key internal controls related to revenue recognition of real estate development projects, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;

(2) We checked the terms of the Company's real estate sales contracts to assess whether its revenue recognition policy related to real estate development projects conforms to relevant accounting standards;

(3) For revenue from real estate development projects recognized in the current period, we selected samples and checked sales contracts and supporting documents that indicated housing properties had reached the conditions of delivery (such as registration certificate of completion record and acceptance, announcement of house acceptance, notice of house acceptance, etc.), to assess whether the real estate sales revenue conforms to the Company's revenue recognition policy;

(4) For real estate sales revenue from real estate development projects recognized in the current period, we checked sales revenue ledger and areas carried forward by

sampling method, and performed gross profit analysis and comparison analysis on average selling price by sampling method, so as to assess the accuracy of carry-forward of real estate sales revenue; and

(5) For revenue from real estate development projects recognized before and after the balance sheet date, we selected samples and checked supporting documents that indicated housing properties had reached the conditions of delivery, to assess whether the real estate sales revenue is recognized in appropriate period.

(II) Evaluation of net realizable value of inventories for real estate development projects

1. Key audit matters

Please refer to section III (XI) and V (I) 8 of the notes to the financial statements for details. As of December 31, 2020, the carrying amount of inventories in the consolidated financial statements amounted to 234,652,653,917.10 yuan, accounting for 61.56% of the Company's total assets. The total book balance of developed goods, development cost and goods to be developed (collectively referred to as the "inventories for real estate development projects") in the inventories totaled 235,241,977,729.46 yuan, with provision for inventory write-down of 1,206,908,846.54 yuan.

The assessment of net realizable value of inventories for real estate development projects requires estimation of the construction cost to be incurred to reach completion condition of each product to be developed and developed product in progress, as well as estimation of future net selling price, future selling expenses and related taxes of each real estate development project, which involves significant judgments and estimates made by the Company's management (the "Management"). In consideration of the importance of the inventories to the Company's assets and inventories' inherent risks in the construction cost to be incurred to reach completion condition and their future net selling prices, we have identified the evaluation of net realizable value of inventories for real estate development projects as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for net realizable value of inventories for real estate development projects are as follows:

- (1) We assessed the design of key internal controls related to cost budget, dynamic cost management, and estimation of net realizable value of real estate development projects, and tested the effectiveness of their operation;
- (2) We selected samples and conducted field observation on real estate development projects, and inquired relevant development progress and dynamic cost budget updated based on latest estimation;
- (3) We evaluated valuation methods, key estimates and assumptions adopted by the Management, such as comparing estimated selling price with available market data and project sales budget plans;
- (4) We compared the estimated completion cost of each inventory item with the latest budget approved by the Management, and compared the latest budget cost as of December 31, 2020 with the budget cost as of December 31, 2019, so as to assess the accuracy of the Management's forecast; and
- (5) We recalculated measurement and calculation process of net realizable value made by the Management.

IV. Other Information

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Certified Public Accountant's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chinese Certified Public Accountant
(Engagement Partner)



Chinese Certified Public Accountant



Date of Report: March 31, 2021

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Jinke Property Group Co., Ltd.
 Consolidated balance sheet as at December 31, 2020
 (Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2019
Current assets:			
Cash and bank balances	1	43,492,262,119.53	35,986,127,615.10
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	2	68,613,590.00	
Derivative financial assets			
Notes receivable	3	87,048,523.71	
Accounts receivable	4	2,798,294,736.22	2,279,708,174.36
Receivables financing	5	9,364,181.44	6,080,000.00
Advances paid	6	8,753,957,989.34	9,186,829,635.80
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	7	30,525,719,202.81	22,498,003,050.16
Financial assets under reverse repo			
Inventories	8	234,652,653,917.10	214,241,423,632.90
Contract assets	9	961,889,329.17	
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets	10	10,764,545,484.11	7,030,605,788.36
Total current assets		332,114,349,073.43	291,228,777,896.68
Non-current assets:			
Loans and advances paid			
Debt investments	11	222,258,200.00	216,497,850.00
Other debt investments			
Long-term receivables			
Long-term equity investments	12	24,893,889,815.22	13,621,726,542.67
Other equity instrument investments	13	459,936,643.67	115,456,732.98
Other non-current financial assets			
Investment property	14	13,565,748,140.35	8,324,103,937.62
Fixed assets	15	4,078,186,495.04	4,378,064,963.38
Construction in progress	16	31,725,023.06	247,179.49
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets	17	74,741,069.32	75,763,656.09
Development expenditures			
Goodwill	18	487,953,966.72	487,953,966.72
Long-term prepayments	19	75,629,669.51	92,532,518.90
Deferred tax assets	20	2,104,917,899.51	1,621,772,293.59
Other non-current assets	21	3,048,642,542.31	1,442,119,127.29
Total non-current assets		49,043,629,464.71	30,376,238,768.73
Total assets		381,157,978,538.14	321,605,016,665.41

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[Name]
 [Legal representative]
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[Name]
 [Officer in charge of accounting]
 (Signature and stamp)

[Name]
 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.
 Consolidated balance sheet as at December 31, 2020 (continued)
 (Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2019
Current liabilities:			
Short-term borrowings	22	10,467,273,653.83	3,060,253,977.27
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	23	5,695,224,051.11	7,502,327,682.06
Accounts payable	24	28,568,273,137.11	23,548,500,607.12
Advances received	25	11,693,816.63	114,693,955,789.05
Contract liabilities	26	134,633,085,521.75	
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Employee benefits payable	27	844,293,531.11	677,035,892.45
Taxes and rates payable	28	4,575,672,625.58	4,342,321,054.87
Other payables	29	26,119,403,708.03	17,431,519,402.53
Handling fee and commission payable			
Reinsurance accounts payable			
Liabilities classified as held for sale			
Non-current liabilities due within one year	30	23,191,173,943.59	29,709,478,742.04
Other current liabilities	31	5,846,358,593.83	
Total current liabilities		239,952,452,582.57	200,965,393,147.39
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	32	52,734,580,090.04	52,381,951,348.33
Bonds payable	33	11,827,121,226.07	13,534,958,049.21
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	34	580,343,891.11	1,192,342,194.58
Long-term employee benefits payable			
Provisions			
Deferred income	35	275,522,244.48	468,936,913.44
Deferred tax liabilities	20	2,289,624,307.50	910,273,409.66
Other non-current liabilities			
Total non-current liabilities		67,707,191,759.20	68,488,461,915.22
Total liabilities		307,659,644,341.77	269,453,855,062.61
Equity:			
Share capital	36	5,339,715,816.00	5,339,715,816.00
Other equity instruments	37	2,141,770,000.00	800,000,000.00
Including: Preferred shares			
Perpetual bonds			
Capital reserve	38	2,141,770,000.00	800,000,000.00
Less: Treasury shares	39	7,259,092,101.32	4,507,152,596.74
Other comprehensive income	40	24,520,125.00	121,159,050.00
Special reserve			
Surplus reserve	41	2,466,456,323.18	2,392,387,787.05
General risk reserve			
Undistributed profit	42	1,922,651,515.78	1,463,900,787.58
Total equity attributable to the parent company		17,816,890,722.22	12,985,084,206.91
Non-controlling interest		36,922,056,353.50	27,367,082,144.28
Total equity		36,576,277,842.87	24,784,079,458.52
Total liabilities & equity		381,157,978,538.14	321,605,016,665.41

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 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.
 Parent company balance sheet as at December 31, 2020
 (Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2019
Current assets:			
Cash and bank balances		1,921,453,219.83	2,516,390,706.71
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	1	3,935,363.15	10,009,634.43
Receivables financing			
Advances paid		2,655,715.35	12,329,019.06
Other receivables	2	120,019,343,860.37	99,741,804,971.87
Inventories		55,679,431.93	56,919,592.07
Contract assets			
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets		314,632.49	32,928,183.45
Total current assets		122,003,382,223.12	102,370,382,107.59
Non-current assets:			
Debt investments		93,684,600.00	60,852,800.00
Other debt investments			
Long-term receivables			
Long-term equity investments	3	27,394,204,903.87	23,073,819,681.58
Other equity instrument investments		344,479,910.69	
Other non-current financial assets			
Investment property		25,802,800.00	26,257,600.00
Fixed assets		25,135,481.46	27,919,358.72
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets		3,494,060.20	5,228,855.62
Development expenditures			
Goodwill			
Long-term prepayments		10,017,078.46	15,000,962.23
Deferred tax assets		293,195,125.63	183,982,440.46
Other non-current assets		2,262,200,000.00	2,967,850,000.00
Total non-current assets		30,452,213,960.31	26,360,911,698.61
Total assets		152,455,596,183.43	128,731,293,806.20

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Jinke Property Group Co., Ltd.
Parent company balance sheet as at December 31, 2020 (continued)
(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2019
Current liabilities:			
Short-term borrowings		1,238,963,255.63	1,897,717,801.42
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		13,166,945.20	13,617,766.19
Advances received			488,417.15
Contract liabilities		1,215,665.56	
Employee benefits payable		66,124,203.50	121,848,357.90
Taxes and rates payable		45,934,400.73	80,818,665.36
Other payables		105,157,447,160.84	84,754,877,736.40
Liabilities classified as held for sale			
Non-current liabilities due within one year		5,350,424,746.14	1,250,941,827.04
Other current liabilities		138,918.49	
Total current liabilities		111,873,415,296.09	88,120,310,571.46
Non-current liabilities:			
Long-term borrowings		4,153,500,000.00	2,190,000,000.00
Bonds payable		11,508,121,226.07	17,012,378,175.28
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		4,781,340.00	5,234,340.00
Long-term employee benefits payable			
Provisions			
Deferred income		59,374.71	78,067.54
Deferred tax liabilities		6,741,284.41	5,317,135.21
Other non-current liabilities			
Total non-current liabilities		15,673,203,225.19	19,213,007,718.03
Total liabilities		127,546,618,521.28	107,333,318,289.49
Equity:			
Share capital		5,339,715,816.00	5,339,715,816.00
Other equity instruments		2,141,770,000.00	800,000,000.00
Including: Preferred shares			
Perpetual bonds		2,141,770,000.00	800,000,000.00
Capital reserve		6,373,944,586.98	6,361,067,555.31
Less: Treasury shares		24,520,125.00	121,159,050.00
Other comprehensive income		5,461,124.44	21,261,250.12
Special reserve			
Surplus reserve		2,052,220,310.64	1,593,469,582.44
Undistributed profit		9,020,385,949.09	7,403,620,362.84
Total equity		24,908,977,662.15	21,397,975,516.71
Total liabilities & equity		152,455,596,183.43	128,731,293,806.20

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Jinke Property Group Co., Ltd.
 Consolidated income statement for the year ended December 31, 2020
 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		87,704,409,982.96	67,773,374,520.17
Including: Operating revenue	1	87,704,409,982.96	67,773,374,520.17
Interest income			
Premium earned			
Revenue from handling charges and commission			
II. Total operating cost		77,433,288,252.54	58,510,620,245.55
Including: Operating cost	1	67,390,209,218.74	48,230,059,674.30
Interest expenses			
Handling charges and commission expenditures			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	2	2,993,192,098.97	2,706,826,815.52
Selling expenses	3	3,461,793,309.36	4,214,509,866.18
Administrative expenses	4	3,014,786,457.09	2,689,453,746.20
R&D expenses	5	92,157,377.27	41,052,504.01
Financial expenses	6	481,149,791.11	628,717,639.34
Including: Interest expenses		929,847,428.26	965,772,811.27
Interest income		591,366,289.93	413,148,265.96
Add: Other income	7	403,227,474.51	153,712,526.14
Investment income (or less: losses)	8	1,620,318,128.30	185,695,959.71
Including: Investment income from associates and joint ventures		1,302,614,103.06	184,599,961.90
Gains from derecognition of financial assets at amortized cost			
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	9	464,300,008.73	95,873,271.19
Credit impairment loss	10	-83,244,530.65	-96,449,928.06
Assets impairment loss	11	-410,311,834.22	-981,480,793.67
Gains on asset disposal (or less: losses)	12	-34,449,015.91	1,510,698.56
III. Operating profit (or less: losses)		12,230,961,961.18	8,621,616,008.49
Add: Non-operating revenue	13	142,436,854.76	96,299,488.55
Less: Non-operating expenditures	14	194,407,252.38	382,856,989.45
IV. Profit before tax (or less: total loss)		12,178,991,563.56	8,335,058,507.59
Less: Income tax	15	2,474,631,688.13	1,978,060,638.23
V. Net profit (or less: net loss)		9,704,359,875.43	6,356,997,869.36
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		9,704,359,875.43	6,356,997,869.36
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		7,030,016,057.00	5,675,826,256.49
2. Net profit attributable to non-controlling shareholders (or less: net loss)		2,674,343,818.43	681,171,612.87
VI. Other comprehensive income after tax	16	89,182,667.50	1,060,568,927.37
Items attributable to the owners of the parent company		74,068,536.13	981,682,082.35
(I) Not to be reclassified subsequently to profit or loss		-15,800,125.68	
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk		-15,800,125.68	
5. Others			
(II) To be reclassified subsequently to profit or loss		89,868,661.81	981,682,082.35
1. Items under equity method that may be reclassified to profit or loss		11,211,962.46	7,813,153.67
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others		78,656,699.35	973,868,928.68
Items attributable to non-controlling shareholders		15,114,131.37	78,886,845.02
VII. Total comprehensive income		9,793,542,542.93	7,417,566,796.73
Items attributable to the owners of the parent company		7,104,084,593.13	6,657,508,338.84
Items attributable to non-controlling shareholders		2,689,457,949.80	760,058,457.89
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		1.30	1.05
(II) Diluted EPS (yuan per share)		1.30	1.05

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[Name]
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 (Signature and stamp)

[Name]
 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.

Parent company income statement for the year ended December 31, 2020

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	866,452,863.97	1,140,561,710.60
Less: Operating cost	1	261,552,387.39	354,599,609.37
Taxes and surcharges		5,537,419.88	6,963,190.83
Selling expenses		2,098,421.65	3,080,169.61
Administrative expenses		594,908,730.79	596,326,372.54
R&D expenses			
Financial expenses		314,694,443.26	373,584,399.54
Including: Interest expenses		1,763,969,636.31	1,647,778,208.60
Interest income		1,469,717,079.71	1,309,201,001.74
Add: Other income		4,722,771.62	3,398,634.62
Investment income (or less: losses)	2	4,769,239,461.02	5,381,055,773.53
Including: Investment income from associates and joint ventures		46,165,820.25	-135,618,619.22
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		-454,800.00	-304,400.00
Credit impairment loss		-2,188,967.18	-3,722,730.80
Assets impairment loss			
Gains on asset disposal (or less: losses)		80,000.00	47,730.00
II. Operating profit (or less: losses)		4,459,059,926.46	5,186,482,976.06
Add: Non-operating revenue		28,341,369.71	25,396,030.63
Less: Non-operating expenditures		165,471.71	1,014,592.07
III. Profit before tax (or less: total loss)		4,487,235,824.46	5,210,864,414.62
Less: Income tax		-89,303,795.96	-61,257,327.49
IV. Net profit (or less: net loss)		4,576,539,620.42	5,272,121,742.11
(I) Net profit from continuing operations (or less: net loss)		4,576,539,620.42	5,272,121,742.11
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		-15,800,125.68	
(I) Not to be reclassified subsequently to profit or loss		-15,800,125.68	
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments		-15,800,125.68	
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others			
VI. Total comprehensive income		4,560,739,494.74	5,272,121,742.11
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

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(Signature and stamp)

Jinke Property Group Co., Ltd.
 Consolidated cash flow statement for the year ended December 31, 2020
 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		127,980,053,564.54	112,826,066,184.16
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling charges and commission			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		18,431,667.30	15,005,848.61
Other cash receipts related to operating activities	1	56,607,371,064.43	42,989,067,401.25
Subtotal of cash inflows from operating activities		184,605,856,296.27	155,830,139,434.02
Cash payments for goods purchased and services received		89,737,603,998.10	88,949,376,066.97
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling charges and commission			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		6,285,630,617.92	5,624,744,667.80
Cash payments for taxes and rates		7,716,374,147.35	7,983,110,945.84
Other cash payments related to operating activities	2	66,358,340,344.72	51,034,172,521.43
Subtotal of cash outflows from operating activities		170,097,949,108.09	153,591,404,202.04
Net cash flows from operating activities		14,507,907,188.18	2,238,735,231.98
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		957,449,174.43	317,118,301.92
Cash receipts from investment income		186,137,974.44	1,095,997.81
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		5,568,834.23	766,284.53
Net cash receipts from the disposal of subsidiaries & other business units		50,406,595.25	
Other cash receipts related to investing activities	3	89,680.08	10,411.65
Subtotal of cash inflows from investing activities		1,199,652,258.43	318,990,995.91
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		345,445,298.92	931,748,303.56
Cash payments for investments		10,067,487,865.67	5,109,130,532.19
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units		4,426,898,743.17	921,707,198.22
Other cash payments related to investing activities	4	3,467,773,652.56	5,345,242,533.37
Subtotal of cash outflows from investing activities		18,307,605,560.32	12,307,828,567.34
Net cash flows from investing activities		-17,107,953,301.89	-11,988,837,571.43
III. Cash flows from financing activities:			
Cash receipts from absorbing investments		16,336,066,364.85	8,955,816,129.09
Including: Cash received by subsidiaries from non-controlling shareholders as investments		16,336,066,364.85	8,955,816,129.09
Cash receipts from borrowings		82,176,693,381.05	70,032,860,791.84
Other cash receipts related to financing activities	5	1,571,125,722.52	865,359,030.00
Subtotal of cash inflows from financing activities		100,083,885,468.42	79,854,035,950.93
Cash payments for the repayment of borrowings		75,930,644,244.81	52,217,903,910.66
Cash payments for distribution of dividends or profits and for interest expenses		11,045,682,601.78	9,872,502,538.00
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		213,463,980.95	427,405,462.61
Other cash payments related to financing activities	6	2,645,620,001.47	2,610,038,305.70
Subtotal of cash outflows from financing activities		89,621,946,848.06	64,700,444,754.36
Net cash flows from financing activities		10,461,938,620.36	15,153,591,196.57
IV. Effect of foreign exchange rate changes on cash & cash equivalents		-41,333,788.61	-10,141.34
V. Net increase in cash and cash equivalents		7,820,558,718.04	5,403,478,715.78
Add: Opening balance of cash and cash equivalents		34,887,063,530.25	29,483,584,814.47
VI. Closing balance of cash and cash equivalents		42,707,622,248.29	34,887,063,530.25

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 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.
 Parent company cash flow statement for the year ended December 31, 2020
 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods and rendering of services		999,197,198.47	1,611,682,960.06
Receipts of tax refund		159,373.56	
Other cash receipts related to operating activities		294,169,497,663.40	244,307,140,276.30
Subtotal of cash inflows from operating activities		295,168,854,235.43	245,918,823,236.36
Cash payments for goods purchased and services received		12,343,471.22	190,245,460.53
Cash paid to and on behalf of employees		545,460,017.53	662,381,301.87
Cash payments for taxes and rates		60,040,205.41	96,432,248.24
Other cash payments related to operating activities		294,313,046,530.71	249,424,306,963.19
Subtotal of cash outflows from operating activities		294,930,890,224.87	250,373,365,973.83
Net cash flows from operating activities		237,964,010.56	-4,454,542,737.47
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		212,986,404.65	91,800,000.00
Cash receipts from investment income		6,666,156,226.60	5,317,603,827.61
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		142,978.01	82,000.00
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities		6,879,285,609.26	5,409,485,827.61
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		6,338,919.35	2,132,902.51
Cash payments for investments		5,934,966,636.52	1,705,477,800.00
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payments related to investing activities		1,128,600,000.00	1,137,850,000.00
Subtotal of cash outflows from investing activities		7,069,905,555.87	2,845,460,702.51
Net cash flows from investing activities		-190,619,946.61	2,564,025,125.10
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Cash receipts from borrowings		12,595,110,000.00	13,838,778,450.00
Other cash receipts related to financing activities		1,676,823,041.67	800,000,000.00
Subtotal of cash inflows from financing activities		14,271,933,041.67	14,638,778,450.00
Cash payments for the repayment of borrowings		10,520,526,900.00	7,461,758,046.74
Cash payments for distribution of dividends or profits and for interest expenses		4,008,751,532.25	3,171,343,652.92
Other cash payments related to financing activities		45,789,909.30	2,103,774,982.92
Subtotal of cash outflows from financing activities		14,575,068,341.55	12,736,876,682.58
Net cash flows from financing activities		-303,135,299.88	1,901,901,767.42
IV. Effect of foreign exchange rate changes on cash and cash equivalents		1,151,562.95	
V. Net increase in cash and cash equivalents		-254,639,672.98	11,384,155.05
Add: Opening balance of cash and cash equivalents		2,176,092,892.81	2,164,708,737.76
VI. Closing balance of cash and cash equivalents		1,921,453,219.83	2,176,092,892.81

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Jinke Property Group Co., Ltd.

Consolidated statement of changes in equity for the year ended December 31, 2020 (Expressed in Renminbi Yuan)

Items	Current period cumulative											
	Equity attributable to parent company											
	Share capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interest	Total equity
	Preferred shares	Perpetual bonds	Others									
I. Balance at the end of prior year	5,339,715,816.00											
Add: Cumulative changes of accounting policies		800,000,000.00			121,159,050.00	2,392,387,787.05		1,463,900,787.58		12,985,084,206.91	24,784,079,458.52	52,151,161,602.80
Error correction of prior period								1,096,766.16		771,435,387.94	178,591,425.78	951,473,579.88
Business combination under common control												
Others												
II. Balance at the beginning of current year	5,339,715,816.00											
III. Current period increase (or less: decrease)		800,000,000.00			121,159,050.00	2,392,387,787.05		1,464,997,553.74		13,756,519,594.85	24,963,020,884.30	53,102,635,182.68
(I) Total comprehensive income		1,341,770,000.00			-96,638,925.00	74,068,536.13		457,653,962.04		4,060,371,127.37	11,613,256,938.57	20,395,699,013.69
(II) Capital contributed or withdrawn by owners						74,068,536.13				7,030,016,057.00	2,689,457,949.80	9,793,542,542.93
1. Ordinary shares contributed by owners		1,341,770,000.00			-77,188,800.00					402,825.00	9,151,983,311.78	13,323,284,441.36
2. Capital contributed by holders of other equity instruments					-77,188,800.00						9,151,983,311.78	9,229,172,111.78
3. Amount of share-based payment included in equity												1,341,770,000.00
4. Others					61,825.22							61,825.22
(III) Profit distribution					2,751,877,679.36					402,825.00		2,752,280,504.36
1. Appropriation of surplus reserve					-19,450,125.00			457,653,962.04		-2,970,047,754.63	-228,184,303.01	-2,721,127,970.60
2. Appropriation of general risk reserve								457,653,962.04		-457,653,962.04		
3. Appropriation of profit to owners					-19,450,125.00					-2,512,393,792.59	-228,184,303.01	-2,721,127,970.60
4. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	5,339,715,816.00	2,141,770,000.00		7,259,092,101.32	24,520,125.00	2,466,456,323.18		1,922,651,515.78		17,816,890,722.22	36,576,277,862.87	73,498,334,196.37

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(Signature and stamp)

Jinke Property Group Co., Ltd.

Consolidated statement of changes in equity for the year ended December 31, 2020 (continued)
(Expressed in Renminbi Yuan)

Items	Preceding period comparative												
	Equity attributable to parent company												
	Share capital	Preferred shares	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interest	Total equity
I. Balance at the end of prior year	5,339,715,816.00				4,099,926,815.08	137,538,150.00	1,410,705,704.70		936,688,613.37		9,831,266,617.39	14,585,837,463.38	37,766,602,879.92
Add: Cumulative changes of accounting policies													
Error correction of prior period													
Business combination under common control													
Others													
II. Balance at the beginning of current year	5,339,715,816.00				4,099,926,815.08	137,538,150.00	1,410,705,704.70		936,688,613.37		9,831,266,617.39	14,585,837,463.38	37,766,602,879.92
III. Current period increase (or less: decrease)					407,225,781.66	-16,379,100.00	981,682,082.35		527,212,174.21		3,153,817,589.52	10,198,241,995.14	14,384,558,722.88
(I) Total comprehensive income					407,225,781.66		981,682,082.35				5,675,826,256.49	760,058,457.89	7,417,566,796.73
(II) Capital contributed or withdrawn by owners												9,889,017,487.96	9,396,243,269.62
1. Ordinary shares contributed by owners												9,889,017,487.96	9,889,017,487.96
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in equity					426,856.94								-900,000,000.00
4. Others					406,798,924.72	-16,379,100.00							426,856.94
(III) Profit distribution													
1. Appropriation of surplus reserve									527,212,174.21		-2,522,008,666.97	-450,833,950.71	406,798,924.72
2. Appropriation of general risk reserve									527,212,174.21		-527,212,174.21		-2,429,251,343.47
3. Appropriation of profit to owners													
4. Others													
(IV) Internal carry-over within equity													
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Special reserve													
1. Appropriation of current period													
2. Application of current period													
(VI) Others													
IV. Balance at the end of current period	5,339,715,816.00			800,000,000.00	4,507,152,596.74	121,159,050.00	2,392,387,787.05		1,463,900,787.58		12,985,084,206.91	24,784,079,458.52	52,151,161,602.80

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Jinke Property Group Co., Ltd.

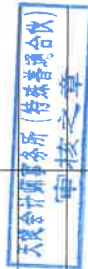
Parent company statement of changes in equity for the year ended December 31, 2020 (Expressed in Renminbi Yuan)

Items	Current period cumulative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	5,339,715,816.00										
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	5,339,715,816.00										
III. Current period increase (or less: decrease)											
(I) Total comprehensive income											
(II) Capital contributed or withdrawn by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution											
1. Appropriation of surplus reserve											
2. Appropriation of profit to owners											
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation of current period											
2. Application of current period											
(VI) Others											
IV. Balance at the end of current period	5,339,715,816.00										
		2,141,770,000.00			6,373,944,586.98	24,520,125.00	5,461,124.44		2,052,220,310.64	9,020,385,949.09	24,908,977,662.15

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Jinke Property Group Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2020 (continued)
(Expressed in Renminbi Yuan)

Items	Preceding period comparative									
	Share capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
	Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	5,339,715,816.00			6,340,243,108.73	137,538,150.00	21,261,250.12		1,066,257,408.23	4,714,347,424.32	19,044,286,857.40
Add: Cumulative changes of accounting policies		1,700,000,000.00								
Error correction of prior period										
Others										
II. Balance at the beginning of current year	5,339,715,816.00			6,340,243,108.73	137,538,150.00	21,261,250.12		1,066,257,408.23	-60,840,136.62	-60,840,136.62
III. Current period increase (or less: decrease)		1,700,000,000.00		20,824,446.58	-16,379,100.00			527,212,174.21	4,653,507,287.70	18,983,446,720.78
(I) Total comprehensive income		-900,000,000.00							2,750,113,075.14	2,414,528,795.93
(II) Capital contributed or withdrawn by owners		-900,000,000.00		20,824,446.58					5,272,121,742.11	5,272,121,742.11
1. Ordinary shares contributed by owners										-879,175,553.42
2. Capital contributed by holders of other equity instruments		-900,000,000.00								
3. Amount of share-based payment included in equity										-900,000,000.00
4. Others				426,856.94						426,856.94
(III) Profit distribution				20,397,589.64						
1. Appropriation of surplus reserve										
2. Appropriation of profit to owners					-16,379,100.00			527,212,174.21	-2,522,008,666.97	20,397,589.64
3. Others								527,212,174.21	-527,212,174.21	-1,978,417,392.76
(IV) Internal carry-over within equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Changes in defined benefit plan carried over to retained earnings										
5. Other comprehensive income carried over to retained earnings										
6. Others										
(V) Special reserve										
1. Appropriation of current period										
2. Application of current period										
(VI) Others										
IV. Balance at the end of current period	5,339,715,816.00	800,000,000.00		6,361,067,555.31	121,159,050.00	21,261,250.12		1,593,469,582.44	7,403,620,362.84	21,397,975,516.71

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Jinke Property Group Co., Ltd.

Notes to Financial Statements

For the year ended December 31, 2020

Monetary unit: RMB Yuan

I. Company profile

Jinke Property Group Co., Ltd. (the “Company”), whose predecessor was 重庆东源产业发展股份有限公司 (Chongqing Dongyuan Industrial Development Co., Ltd.*, formerly known as 重庆东源钢业股份有限公司 (Chongqing Dongyuan Steel Co., Ltd.*), was established through restructuring of the former 重庆钢铁公司第四钢铁厂 (Chongqing Iron and Steel Company No. 4 Steel Plant*) under approval from Chongqing Municipal People’s Government. The Company, headquartered in Jiangbei District, Chongqing, was registered at Chongqing Administration of Industry and Commerce on March 29, 1994, and currently holds a business license with unified social credit code of 91500000202893468X. The Company has registered capital of 5,339,715,816.00 yuan, and total share of 5,339,715,816 shares (each with par value of one yuan), of which, 62,254,810 shares are restricted outstanding shares, and 5,277,461,006 shares are unrestricted outstanding shares.

The Company belongs to the real estate development industry and is mainly engaged in real estate development, property management, electromechanical equipment installation; sales of construction and decoration materials, chemical products, hardware and electrical equipment; rental of self-owned buildings; enterprise management consulting services; import and export of goods and technology. Main products sold or services rendered are real estate sales, wind energy investment and development, property management, hotel management, garden engineering, decoration engineering and material sales.

The financial statements were approved and authorized for issue by the fourth meeting of the 11th session of the Board of Directors dated March 31, 2021.

The Company has brought 721 subsidiaries including 重庆金科房地产开发有限公司 (Chongqing Jinke Real Estate Development Co., Ltd.*, the “Chongqing Jinke”), 成都金科房地产开发有限公司 (Chengdu Jinke Real Estate Development Co., Ltd.*), 江苏金科天宸房地产有限公司 (Jiangsu Jinke Tianchen Real Estate Co., Ltd.*), 北京金科兴源置业有限公司 (Beijing Jinke Xingyuan Property Co., Ltd.*), 金科地产集团武汉有限公司 (Jinke Real Estate Group Wuhan Co., Ltd.*, the “Wuhan Jinke”), 山东百俊房地产开发有限公司 (Shandong Baijun Real

* The English names are for identification purpose only.



Estate Development Co., Ltd.*) and 金科智慧服务集团股份有限公司 (Jinke Smart Services Group Co., Ltd.*) into the consolidated scope. Please refer to notes to changes in the consolidated scope and interest in other entities for details.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements have been prepared on the basis of going concern.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

Important note: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets, and revenue recognition, etc. based on the Company's actual production and operation features.

(I) Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, results of operations and cash flows of the Company.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company is mainly engaged in the development of real estate products for sale and lease. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party

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at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(VI) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to “CASBE 33 - Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes in relation to its interest in a joint operation:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;
- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sales of the assets by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are

translated at the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at spot exchange rate at the transaction date. The difference arising from foreign currency translation is included in other comprehensive income.

(X) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or contracts in which the financing components with associated period less than one year are not considered, the Company measures at their transaction price in accordance with “CASBE 14 – Revenues”.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method.

Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of

Financial Assets”.

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with “CASBE 14 – Revenues”.

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items are included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of

consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items are included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) 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. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, and financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

(1) Measurement and accounting treatment

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments, contract assets or lease receivables at fair value through other comprehensive income, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For accounts receivable and contract assets that do not contain a significant financing component or financing components in contracts with associated period less than one year that are not considered by the Company, which result from transactions as regulated in “CASBE 14 – Revenues”, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt

investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

(2) Financial instruments with expected credit risk assessed and expected credit losses measured on a collective basis

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Other receivables – Portfolio grouped with balances due from associates and joint ventures	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with deposits		
Other receivables – Portfolio grouped with operating current accounts with partners		
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope		
Other receivables – Portfolio grouped with other balances		
Debt investments – Portfolio grouped with trust protection funds	Nature of investment	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.

(3) Accounts receivable and contract assets with expected credit losses measured on a collective basis

1) Specific portfolios and method for measuring expected credit loss

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with subsidy for renewable energy electricity fee surcharges	Credit risk feature of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is 1%.
Accounts receivable – Portfolio	Credit risk feature of	Based on historical credit loss

Items	Basis for determination of portfolio	Method for measuring expected credit loss
grouped with funds for government group buying houses	debtors	experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is 1.5%.
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope	Credit risk feature of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is zero.
Accounts receivable – Portfolio grouped with balances of house sales (Portfolio grouped with ages)	Ages	Based on historical credit loss experience, the debtors' repayment Capacity, the future cash flows, the current condition and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Accounts receivable – Portfolio grouped with balances of property management services (Portfolio grouped with ages)		
Accounts receivable – Portfolio grouped with balances of other services (Portfolio grouped with ages)		
Contract assets – Portfolio grouped with government projects	Nature of funds	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Contract assets – Portfolio grouped with projects of associates and joint ventures		
Contract assets – Portfolio grouped with deposits		
Contract assets – Other portfolios		

2) Accounts receivable – comparison table of ages and lifetime expected credit loss rate of portfolio grouped with ages

a. Accounts receivable – Portfolio grouped with balances of house sales

Ages	Expected credit loss rate (%)
Within 1 year	1.50
1-2 years	5.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

b. Accounts receivable – Portfolio grouped with balances of property management services

Ages	Expected credit loss rate (%)
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Ages	Expected credit loss rate (%)
Within 1 year	1.00
1-2 years	5.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

c. Accounts receivable – Portfolio grouped with balances of other services

Ages	Expected credit loss rate (%)
Within 1 year	1.70
1-2 years	6.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

(XI) Inventories

1. Classification of inventories

Inventories include land for development and developed goods held for sale or use, developed goods, goods to be developed and revolving property held for sale but temporary on lease, materials and equipment on hand, and low-value consumables, etc., and development costs incurred in the process of development. Goods to be developed refer to land which has been acquired to be developed as completed developed products. If the project is developed on a collective basis, goods to be developed are transferred into development costs; if the project is developed phase by phase, developed phase is transferred into development costs and the remaining phases are kept as goods to be developed.

2. Accounting method for dispatching inventories:

(1) Materials and equipment dispatched from storage are accounted for with weighted average method.

(2) In the course of project development, the cost of land for development is allocated in the

development cost of different projects based on the area of project developed.

(3) Developed goods dispatched from storage are accounted for with average of construction areas.

(4) Developed goods and revolving property held for sale but temporary on lease are evenly amortized within estimated useful life of fixed assets under same categories.

(5) In case the public facilities are completed prior to related developed goods, cost of public facilities is included in development cost of related developed projects proportionate to the construction area when the final audit of public facilities is finished. In case the public facilities are completed later than related developed goods, estimated cost of public facilities is included in development cost of related developed goods, and adjusted to actual cost when the final audit on public facilities is finished.

3. Basis for determining net realizable value

At the balance sheet date, inventories are measured at the lower of cost or net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have contract-agreed price, their net realizable value is determined separately and is compared with their costs to set the provision for inventory write-down to be made or reversed.

4. Inventory system

Perpetual inventory method is adopted.

5. Amortization method of low-value consumables and packages

One-off method is adopted.

(XII) Contract costs

Assets related to contract costs including costs of obtaining a contract and costs to fulfil a contract.

The Company recognizes as an asset the incremental costs of obtaining a contract if those costs are expected to be recovered. The costs of obtaining a contract shall be included into profit or loss when incurred if the amortization period of the asset is one year or less.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfil a contract as an asset if all the following criteria are satisfied:

1. The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or similar cost), cost that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;
2. The costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and
3. The costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services, with amortization included into profit or loss.

The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

(XIII) Non-current assets or disposal groups classified as held for sale

1. Classification of non-current assets or disposal groups as held for sale

Non-current assets or disposal groups are accounted for as held for sale when the following conditions are all met: a. the asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets or disposal groups; b. its sales must be highly probable, i.e., the Company has made a decision on the sale plan and has obtained a firm purchase commitment, and the sale is expected to be completed within one year.

When the Company acquires a non-current asset or disposal group with a view to resale, it shall classify the non-current asset or disposal group as held for sale at the acquisition date only if the requirement of “expected to be completed within one year” is met at that date and it is highly probable that other criteria for held for sale will be met within a short period (usually within three months).

An asset or a disposal group is still accounted for as held for sale when the Company remains committed to its plan to sell the asset or disposal group in the circumstance that non-related party transactions fail to be completed within one year due to one of the following reasons: a. a buyer or others unexpectedly set conditions that will extend the sale period, while the Company has taken timely actions to respond to the conditions and expects a favorable resolution of the delaying factors within one year since the setting; (2) a non-current asset or disposal group classified as held for sale fails to be sold within one year due to rare cases, and the Company has taken action

necessary to respond to the circumstances during the initial one-year period and the criteria for held for sale are met.

2. Measurement of non-current assets or disposal groups as held for sale

(1) Initial measurement and subsequent measurement

For initial measurement and subsequent measurement as at the balance sheet date of a non-current asset or disposal group as held for sale, where the carrying amount is higher than the fair value less costs to sell, the carrying amount is written down to the fair value less costs to sell, and the write-down is recognized in profit or loss as assets impairment loss, meanwhile, provision for impairment of assets as held for sale shall be made.

For a non-current asset or disposal group classified as held for sale at the acquisition date, the asset or disposal group is measured on initial recognition at the lower of its initial measurement amount had it not been so classified and fair value less costs to sell. Apart from the non-current asset or disposal group acquired through business combination, the difference arising from the initial recognition of a non-current asset or disposal group at the fair value less costs to sell shall be included into profit or loss.

The assets impairment loss recognized for a disposal group as held for sale shall reduce the carrying amount of goodwill in the disposal group first, and then reduce its carrying amount based on the proportion of each non-current asset's carrying amount in the disposal group.

No provision for depreciation or amortization shall be made on non-current assets as held for sale or non-current assets in disposal groups as held for sale, while interest and other expenses attributable to the liabilities of a disposal group as held for sale shall continue to be recognized.

(2) Reversal of assets impairment loss

When there is a subsequent increase in fair value less costs to sell of a non-current asset as held for sale at the balance sheet date, the write-down shall be recovered, and shall be reversed not in excess of the impairment loss that has been recognized after the non-current asset was classified as held for sale. The reversal shall be included into profit or loss. Assets impairment loss that has been recognized before the classification is not reversed.

When there is a subsequent increase in fair value less costs to sell of a disposal group as held for sale at the balance sheet date, the write-down shall be recovered, and shall be reversed not in excess of the non-current assets impairment loss that has been recognized after the disposal group was classified as held for sale. The reversal shall be included into profit or loss. The reduced carrying amount of goodwill and non-current assets impairment loss that has been recognized before the classification is not reversed.

For the subsequent reversal of the impairment loss that has been recognized in a disposal group as held for sale, the carrying amount is increased based on the proportion of carrying amount of each

non-current asset (excluding goodwill) in the disposal group.

(3) Non-current asset or disposal group that is no longer classified as held for sale and derecognized

A non-current asset or disposal group that does not meet criteria for held for sale and no longer classified as held for sale, or a non-current asset that removed from a disposal group as held for sale shall be measured at the lower of: a. its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had it not been classified as held for sale; and b. its recoverable amount.

When a non-current asset or disposal group classified as held for sale is derecognized, unrecognized gains or losses shall be included into profit or loss.

(XIV) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at

the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

3. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method.

4. Disposal of a subsidiary in stages resulting in the Company’s loss of control

(1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company’s loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company’s loss of control, joint control, or significant influence, the remained equity is accounted for according to “CASBE 22 – Financial Instruments: Recognition and Measurement”.

(2) Consolidated financial statements

1) Disposal of a subsidiary in stages not qualified as “bundled transaction” resulting in the Company’s loss of control

Before the Company’s loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company’s loss of control.

2) Disposal of a subsidiary in stages qualified as “bundled transaction” resulting in the Company’s loss of control

In case of “bundled transaction”, stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XV) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation, buildings that have been leased out and buildings being built and developed for future lease.

2. The initial measurement of investment property is based on its cost, and subsequent measurement is made using fair value model. Basis for using fair value model:

(1) The real estate market where investment property located is active.

(2) The Company can obtain market price of similar property and other relevant information from the real estate market, thus making reasonable estimates of the fair value of investment property.

No depreciation or amortization is made on investment property. Carrying amount of investment property is adjusted based on its fair value on the balance sheet date, with difference included into profit or loss.

When investment property is transferred to owner-occupied property indicated by objective evidence of changes in use, carrying amount of owner-occupied property is measured at the

transfer-date fair value, and the difference between fair value and original carrying amount is included into profit or loss. When owner-occupied property is transferred to investment property at fair value, investment property is measured at transfer-date fair value. If the transfer-date fair value is less than original carrying amount, the difference is included into profit or loss, otherwise, the difference is included into other comprehensive income.

(XVI) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	35	5	2.71
Decoration of buildings and structures	Straight-line method	6		16.67
Machinery	Straight-line method	10	5	9.5
Power generation and related equipment	Straight-line method	20	5	4.75
Electronic equipment	Straight-line method	5	5	19
Household appliance	Straight-line method	5	5	19
Transport facilities	Straight-line method	5	5	19
Other equipment	Straight-line method	5	5	19

(XVII) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while it reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVIII) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income earned on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements less the general borrowing by the capitalization rate of the general borrowing used.

(XIX) Intangible assets

1. Intangible assets include land use right, patent right and non-patented technology, etc. The initial measurement of intangible asset is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Amortization period (years)
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Items	Amortization period (years)
Land use right	30-50
Software	5
Trademark	3-5

3. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XX) Impairment of part of long-term assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

(XXI) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XXII) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit

or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of rereasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the

requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XXIII) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.

2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

(XXIV) Share-based payment

1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

2. Accounting treatment for settlements, modifications and cancellations of share-based payment plans

(1) Equity-settled share-based payment

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

(2) Cash-settled share-based payment

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

(3) Modifications and cancellations of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

(XXV) Other financial instrument such as preferred shares and perpetual bonds

Pursuant to CASBEs on financial instruments, “Regulations on Distinguishing Financial Liabilities and Equity Instruments and Related Accounting Treatments” numbered Cai Kuai [2014] 13, and “Regulations on Accounting Treatments of Perpetual Bonds” numbered Cai Kuai [2019] 2 by Ministry of Finance, for financial instruments such as perpetual bonds etc., the Company classifies a financial instrument or its components at initial recognition as a financial asset or liability or equity instrument, based on contract terms and economic essence it reveals instead of its legal form, combining with the definitions of financial asset, liability and equity instrument.

At the balance sheet date, for a financial instrument classified as an equity instrument, its interest expenditure or dividend distribution is treated as profit distribution, and share repurchase and cancellation are treated as changes in equity; for a financial instrument classified as a financial liability, its interest expenditure or dividend distribution is treated as borrowing expense, and gain or loss on repurchase or redemption is included in profit or loss.

(XXVI) Accounting of repair and maintenance fund

According to regulations of place where development project residents, repair and maintenance fund, which is accrued by the Company and included into the development cost of related developed goods, is to be submitted to repair and maintenance fund management department.

(XXVII) Accounting of quality guarantee reserve

Quality guarantee reserve is reserved from project payment of construction entity according to requirements in construction contract. Repair and maintenance fund incurred within the quality guarantee period of developed products is to offset quality guarantee reserve. The balance of quality guarantee reserve is refunded to construction entity when the guarantee term is mature.

(XXVIII) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria are met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to receive the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the client obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payment for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the

customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the client, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the client, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

2. Revenue recognition method adopted by the Company

(1) Revenue from real estate sales contracts

Pursuant to the terms of sales contracts and local laws and supervision requirements, for real estate sales including housing construction services for government that satisfying the criteria of performance obligation over time, the revenue shall be recognized over time by measuring the progress towards complete satisfaction of that performance obligation; Revenue from the other

real estate sales is recognized when the real estate is completed and accepted, the agreed delivery conditions have been satisfied and the customers acquire control over relevant products or services.

(2) Revenue from property management services

Revenue from property management services is recognized during the process of providing services.

(3) Revenue from construction contracts

Revenue from construction services is recognized over time by measuring the progress towards complete satisfaction of that performance obligation, which is determined based on the proportion of the completed contract work to the total estimated contract work.

(4) Revenue from sales of electricity

Revenue from sales of electricity is recognized when electricity has been supplied to the provincial state grid company where the plant is located. The amount of revenue from sales of electricity is determined based on the fair value of received or receivable contract or agreement price.

(XXIX) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to

income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate, or borrowings are carried at fair value, with relevant borrowings cost computed under effective interest method. The difference between amount received and fair value of borrowings is recognized as deferred income, which is amortized using effective interest method within the loan term and offsets relevant borrowing cost.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXX) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

(XXXI) Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

(XXXII) Leases

1. Operating leases

When the Company is the lessee, lease payments are recognized as cost or profit or loss with straight-line method over the lease term. Initial expenses are recognized directly into profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

When the Company is the lessor, lease income is recognized as profit or loss with straight-line method over the lease term. Initial expenses, other than those with material amount and eligible for capitalization which are recognized as profit or loss by installments, are recognized directly as profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

2. Finance leases

When the Company is the lessee, at the commencement of the lease term, lessees recognize finance leases as assets and liabilities in their balance sheets at amounts equal to the lower of fair value of the leased property and the present value of the minimum lease payments, each determined at the inception of the lease, and recognize the minimum lease payments as the entering value of long-term payable, and treat the difference of the two as unrecognized finance expense. Any initial direct costs of the lessee are added to the amount recognized as an asset. The effective interest method is used to recognize finance expense of the period during the lease term.

When the Company is the lessor, at the commencement of the lease, lessor recognizes the aggregate of minimum lease receipts and initial direct costs, each determined at the inception of the lease, as the entering value of finance lease receivables, and recognize the unguaranteed residual value at the same time. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the sum of their present

values is recognized as unrealized finance income. The effective interest method is used to recognize finance income of the period during the lease term.

(XXXIII) Segment reporting

Operating segments are determined based on the structure of the Company’s internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

- (1) that engages in business activities from which it may earn revenues and incur expenses;
- (2) whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
- (3) for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

(XXXIV) Other significant accounting policies and estimates

Accounting treatment related to share repurchase:

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total book value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

(XXXV) Significant changes in accounting policies and estimates

1. Significant changes in accounting policies

Changes in accounting policies arising from changes in CASBEs

(1) The Company has adopted CASBE 14 – Revenues (the “revised revenue standard”) revised by Ministry of Finance of PRC (the “MOF”) since January 1, 2020. Pursuant to regulations on convergence between original and revised standards, no adjustment shall be made on comparable information, and the cumulative effects arising from the adoption on the adopting date shall be retrospectively adjusted into retained earnings and other related financial statement items at the beginning of the reporting period.

1) Main effects on the financial statements as at January 1, 2020 due to adoption of revised revenue standard are as follows:

Items	Balance sheet
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	Dec. 31, 2019	Effect due to revised revenue standard	Jan. 1, 2020
Contract assets		251,327,083.45	251,327,083.45
Inventories	214,241,423,632.90	-255,154,399.44	213,986,269,233.46
Other current assets	7,030,605,788.36	1,044,282,264.49	8,074,888,052.85
Long-term equity investments	13,621,726,542.67	144,621,055.01	13,766,347,597.68
Deferred tax assets	1,621,772,293.59	956,829.00	1,622,729,122.59
Advances received	114,693,955,789.05	-114,693,129,988.30	825,800.75
Contract liabilities		109,957,794,920.00	109,957,794,920.00
Other current liabilities		4,735,335,068.30	4,735,335,068.30
Deferred tax liabilities	910,273,409.66	234,559,252.63	1,144,832,662.29
Surplus reserve	1,463,900,787.58	1,096,766.16	1,464,997,553.74
Undistributed profit	12,985,084,206.91	771,435,387.94	13,756,519,594.85
Non-controlling interest	24,784,079,458.52	178,941,425.78	24,963,020,884.30

2) Main effects on the financial statements of the parent company as at January 1, 2020 due to adoption of revised revenue standard are as follows:

Items	Balance sheet		
	Dec. 31, 2019	Effect due to revised revenue standard	Jan. 1, 2020
Long-term equity investments	23,073,819,681.58	10,967,661.62	23,084,787,343.20
Advances received	488,417.15	-488,417.15	
Contract liabilities		488,417.15	488,417.15
Undistributed profit	7,403,620,362.84	9,870,895.46	7,413,491,258.30
Surplus reserve	1,593,469,582.44	1,096,766.16	1,594,566,348.60

(2) The Company has adopted the “Interpretation 13 to the CASBEs” promulgated by MOF since January 1, 2020, and the prospective application method is applicable to changes in accounting policies.

2. Significant changes in accounting estimates

There is no significant change in accounting estimates during the reporting period.

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	3%, 5%, 6%, 9%, 13%

Taxes	Tax bases	Tax rates
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Progressive rates from 30% to 60%
	Prepaid tax basis: advances from commercial housing	1%-5%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	1%, 5%, 7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, 1.5%
Enterprise income tax	Taxable income	25% for the Company and subsidiaries excluding some enjoying the preferential tax policies or under local laws and regulations. Please refer to section IV (II) and IV (III) for details.

(II) Tax preferential policies

1. VAT

Pursuant to the Notice of VAT Policy on Comprehensive Utilization of Resources and Other Products (numbered Cai Shui [2015] 74) issued by MOF and the State Taxation Administration (STA), 新疆华冉东方新能源有限公司 (Xinjiang Huaran Orient New Energy Co., Ltd.*, the “Xinjiang Huaran”) and 哈密华冉东方景峡风力发电有限公司 (Hami Huaran Orient Jingxia Wind Power Co., Ltd.*, the “Hami Huaran”) enjoy the preferential policy of 50% VAT refunding at collecting for their wind energy power generation projects.

2. Enterprise income tax

Pursuant to the Catalogue of Encouraged Industries in Western Region (Decree of National Development and Reform Commission No. 15 of Year 2014) and the Catalogue for Guiding Adjustment of Industrial Structure (Version in 2019) published by the National Development and Reform Commission, the Circular of Taxation Policies Concerning Further Implementing the Western Development Strategy (numbered Cai Shui [2011] 58) by MOF and STA, and relevant written replies from tax authorities, 46 subsidiaries including Jinke Smart Services Group Co., Ltd. (the “Jinke Services”), 重庆凯尔辛基园林有限公司 (Chongqing Kelsinki Horticulture Co., Ltd.*, the “Chongqing Kelsinki”) and 重庆庆科商贸有限公司 (Chongqing Qingke Trading Co.,

* The English names are for identification purpose only.

Ltd.*, the “Qingke Trading”) enjoy a preferential enterprise income tax rate of 15% in 2020.

Pursuant to the documents numbered Guo Ke Fa Huo [2016] 32 and Guo Ke Fa Huo [2016] 195, 金科新能源有限公司 (Jinke New Energy Co., Ltd.*) enjoys a preferential enterprise income tax rate of 15% from 2018 to 2020. 金科(上海)建筑设计有限公司 (Jinke (Shanghai) Architectural Design Co., Ltd.*), 高驰国际设计有限公司 (Gaochi International Design Co., Ltd.*, formerly known as 重庆金科建筑设计研究院有限公司 (Chongqing Jinke Architectural Design and Research Institute Co., Ltd.*) and 重庆天智慧启科技有限公司 (Chongqing Tianzhihuqi Technology Co., Ltd.*) enjoy a preferential enterprise income tax rate of 15% from 2019 to 2021. 重庆源昊装饰工程有限公司 (Chongqing Yuanhao Decoration Engineering Co., Ltd.*) and 重庆市御临建筑工程有限公司 (Chongqing Yulin Construction Engineering Co., Ltd.*) enjoy a preferential enterprise income tax rate of 15% from 2020 to 2022.

Pursuant to the document numbered Fa Gai Neng Yuan [2012] 2561, the Yandun No. 6 Wind Farm Project is invested and constructed by Xinjiang Huaran. As Xinjiang Huaran is mainly engaged in the production and supply of electricity (wind power), which can be identified as the “new project of wind power generation” in the Preferential Catalogue of Income Tax for Infrastructure Projects (Version in 2008), enterprise income tax for its project phase I of 50MW is half-reduced from 2017 to 2019, and that for its project phase II of 150MW is exempt from 2015 to 2017 and half-reduced from 2018 to 2020.

Pursuant to the document numbered Xin Fa Gai Neng Yuan [2015] 1301, the Jingxia No. 2 C Area Wind Farm Project of 200 MW is invested and constructed by Hami Huaran. As the above project is the production and supply of electricity (wind power), which can be identified as the “new project of wind power generation” in the Preferential Catalogue of Income Tax for Infrastructure Projects (Version in 2008), enterprise income tax for such project is exempt from 2018 to 2020 and half-reduced from 2021 to 2023.

(III) Others

1. In accordance with the Enterprise Income Tax Law of the People’s Republic of China, each property management branch of Jinke Services shall file tax returns to the local tax authority of Jinke Services in the form of “unified calculation, consolidated clearing”, and the head office and branches handle the tax payment or refund at the local level. The enterprise income tax rate of Jinke Services and its branches in Chongqing, Sichuan, Shaanxi, Guizhou, Yunnan, Guangxi, Enshi, Hubei and Xinjiang is 15%, while tax rate of branches in other regions is 25%.

2. The subsidiary 香港俊德国际贸易有限公司 (Hong Kong Junde International Trading Co., Ltd.*) is established in Hong Kong and its income tax rate is 16.5%.

* The English names are for identification purpose only.

3. The subsidiary 金裕控股集团有限公司 (Jinyu Holdings Group Co., Ltd.*) is registered in the British Virgin Islands and pays annual government fee in accordance with local taxes and regulations.

V. Notes to items of consolidated financial statements

Remarks: “Opening balance” in this report refers to balances as at January 1, 2020 after adjustments on the closing balances of preceding period in accordance with the revised revenue standard.

(I) Notes to items of the consolidated balance sheet

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
Cash on hand	57,082.08	203,590.41
Cash in bank [Note]	42,707,565,166.21	34,832,259,939.84
Other cash and bank balances	784,639,871.24	1,153,664,084.85
Total	43,492,262,119.53	35,986,127,615.10
Including: Deposited overseas	1,615,309,957.85	3,965,363.14

Note: At the end of the period, closing balance of cash in bank included advanced receipts for pre-sale houses under the regulation of “Measures on Pre-sale Funds Supervision”, totaling 9,843,555,196.36 yuan,.

(2) Other remarks

Closing balance of other cash and bank balances amounted to 784,639,871.24 yuan including deposits of 745,583,594.66 yuan and other restricted funds of 39,056,276.58 yuan, which was with use restrictions and was not cash and cash equivalents.

2. Held-for-trading financial assets

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss [Note]	68,613,590.00	
Total	68,613,590.00	

Note: It mainly referred to financial products purchased.

3. Notes receivable

(1) Details

Categories	Closing balance

* The English name is for identification purpose only.

	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis					
Including: Bank acceptance					
Trade acceptance	87,048,523.71	100.00			87,048,523.71
Total	87,048,523.71	100.00			87,048,523.71

Due to the fact that the acceptors of trade acceptance mainly are the Company's stable customers for years that have good cash flows and sustainable profitability, no provision for bad debts is made if there is no indication of impairment based on the test.

(2) The Company had no pledged notes at the balance sheet date.

(3) The Company had no endorsed or discounted but undue notes at the balance sheet date.

4. Accounts receivable

(1) Details

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	2,922,036,130.64	100.00	123,741,394.42	4.23	2,798,294,736.22
Total	2,922,036,130.64	100.00	123,741,394.42	4.23	2,798,294,736.22

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	2,394,739,886.01	100.00	115,031,711.65	4.80	2,279,708,174.36
Total	2,394,739,886.01	100.00	115,031,711.65	4.80	2,279,708,174.36

2) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Subsidy for renewable energy electricity fee surcharges	713,843,993.50	7,138,439.94	1.00

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Funds for government group buying houses	94,816,574.97	1,422,248.62	1.50
Balances of house sales	679,225,986.95	66,137,479.78	9.74
Balances of property management services	762,028,227.82	11,035,516.61	1.45
Balances of other services	672,121,347.40	38,007,709.47	5.65
Subtotal	2,922,036,130.64	123,741,394.42	4.23

3) Accounts receivable with provision made on a collective basis using age analysis method

a. Portfolio grouped with balances of house sales

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	391,063,915.97	5,865,958.74	1.50
1-2 years	169,345,963.35	8,467,298.17	5.00
2-3 years	65,530,714.60	13,106,142.92	20.00
3-5 years	29,174,626.16	14,587,313.08	50.00
Over 5 years	24,110,766.87	24,110,766.87	100.00
Subtotal	679,225,986.95	66,137,479.78	9.74

b. Portfolio grouped with balances of property management services

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	715,605,024.66	7,156,050.24	1.00
1-2 years	40,400,871.33	2,020,043.57	5.00
2-3 years	3,854,431.30	770,886.26	20.00
3-5 years	2,158,727.98	1,079,363.99	50.00
Over 5 years	9,172.55	9,172.55	100.00
Subtotal	762,028,227.82	11,035,516.61	1.45

c. Portfolio grouped with balances of other services

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	600,418,201.35	10,207,109.42	1.70
1-2 years	28,543,096.77	1,712,585.81	6.00
2-3 years	8,544,879.37	1,708,975.87	20.00
3-5 years	20,472,263.08	10,236,131.54	50.00

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Over 5 years	14,142,906.83	14,142,906.83	100.00
Subtotal	672,121,347.40	38,007,709.47	5.65

(2) Changes in provision for bad debts

Items	Opening balance	Increase			Decrease			Closing balance
		Accrual	Recovery	Others [Note]	Reversal	Write-off	Others [Note]	
Receivables with provision made on a collective basis	115,031,711.65	7,925,312.66		2,892,901.91		2,022,087.64	86,444.16	123,741,394.42
Subtotal	115,031,711.65	7,925,312.66		2,892,901.91		2,022,087.64	86,444.16	123,741,394.42

Note: Current period increase in “others” was due to the acquisition of subsidiaries, and current period decrease in “others” was mainly due to the disposal of subsidiaries.

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled 2,022,087.64 yuan.

(4) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Customer 1 [Note 1]	736,913,503.09	25.22	7,530,621.61
Customer 2 [Note 2]	210,640,000.00	7.21	3,580,880.00
Customer 3	77,496,054.01	2.65	774,960.54
Customer 4	73,728,843.72	2.52	1,105,932.66
Customer 5	30,879,400.00	1.06	524,949.80
Subtotal	1,129,657,800.82	38.66	13,517,344.61

Note 1: In which, subsidy for renewable energy electricity fee surcharges amounted to 713,843,993.50 yuan, and electricity fees amounted to 23,069,509.59 yuan.

Note 2: It was the project payment receivable after completion and acceptance of the 100MW wind power project in Wujiaqu Xinyuan Liushi Beitashan Farm constructed by the subsidiary 重庆金科新能源有限公司 (Chongqing Jinke New Energy Co., Ltd.*).

5. Receivables financing

(1) Details

1) Details on categories

* The English name is for identification purpose only.

Items	Closing balance					
	Initial cost	Interest adjustment	Interest accrued	Changes in fair value	Carrying amount	Provision for impairment
Notes receivable	9,364,181.44				9,364,181.44	
Total	9,364,181.44				9,364,181.44	

(Continued)

Items	Opening balance					
	Initial cost	Interest adjustment	Interest accrued	Changes in fair value	Carrying amount	Provision for impairment
Notes receivable	6,080,000.00				6,080,000.00	
Total	6,080,000.00				6,080,000.00	

2) Receivables financing with provision for impairment made on a collective basis

Items	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Bank acceptance portfolio	9,364,181.44		
Subtotal	9,364,181.44		

Remarks on the determination basis of portfolio: categorized by credit risk features based on the acceptor's credit features.

Remarks on the input and assumptions used to determine the amount of provision for bad debts in current period:

The acceptors of bank acceptance are commercial banks, which are of high credit level. No provision for bad debts is made if there is no indication of impairment based on the test.

(2) Endorsed or discounted but undue notes at the balance sheet date

Items	Closing balance derecognized
Bank acceptance	21,500,000.00
Subtotal	21,500,000.00

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

6. Advances paid

(1) Age analysis

1) Details

Ages	Closing balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	5,429,946,352.64	62.03		5,429,946,352.64
1-2 years	920,479,961.31	10.52		920,479,961.31
2-3 years	488,732,322.18	5.58		488,732,322.18
Over 3 years	1,914,799,353.21	21.87		1,914,799,353.21
Total	8,753,957,989.34	100.00		8,753,957,989.34

(Continued)

Ages	Opening balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	6,495,930,062.33	70.71		6,495,930,062.33
1-2 years	515,578,691.03	5.61		515,578,691.03
2-3 years	1,115,510,776.77	12.14		1,115,510,776.77
Over 3 years	1,059,810,105.67	11.54		1,059,810,105.67
Total	9,186,829,635.80	100.00		9,186,829,635.80

2) Reasons for unsettlement on advances paid with age over one year and significant amount

Debtors	Closing balance	Reasons for unsettlement
郑州市中原城市开发建设投资有限公司 (Zhengzhou Zhongyuan Urban Development and Construction Investment Co., Ltd.*)	2,406,860,832.84	[Note]
Subtotal	2,406,860,832.84	

Note: It was the compensation for relocation to be paid by installments since August 2013 for land consolidation and comprehensive development of the underlying project in accordance with the “Cooperation Agreement” entered into between the Company’s subsidiary 河南国丰园置业有限公司 (Henan Guofengyuan Real Estate Co., Ltd.*) and Zhengzhou Zhongyuan Urban Development and Construction Investment Co., Ltd. As of December 31, 2020, land consolidation, demolition and resettlement, and construction of supporting infrastructure of the underlying project have not been completed.

(2) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Zhengzhou Zhongyuan Urban Development & Construction Investment Co., Ltd.	2,644,068,034.32	30.20

* The English names are for identification purpose only.

Debtors	Book balance	Proportion to the total balance of advances paid (%)
贵阳市公共资源交易中心 (Guiyang Center for Public Resources Transaction*)	1,189,500,000.00	13.59
唐山市自然资源和规划局 (Tangshan Municipal Bureau of Natural Resources and Planning*)	909,620,508.00	10.39
贵阳市财政局 (Guiyang Municipal Bureau of Finance*)	707,210,228.00	8.08
南宁市财政局 (Nanning Municipal Bureau of Finance*)	415,588,545.00	4.75
Subtotal	5,865,987,315.32	67.01

7. Other receivables

(1) Details

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	30,894,683,459.17	100.00	368,964,256.36	1.19	30,525,719,202.81
Total	30,894,683,459.17	100.00	368,964,256.36	1.19	30,525,719,202.81

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	22,833,538,554.44	100.00	335,535,504.28	1.47	22,498,003,050.16
Total	22,833,538,554.44	100.00	335,535,504.28	1.47	22,498,003,050.16

2) Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from associates and joint ventures	11,098,440,865.84	11,098,440.86	0.10
Portfolio grouped with deposits	5,156,787,718.82	2,578,393.86	0.05
Portfolio grouped with operating	12,839,123,473.02	25,678,246.95	0.20

* The English names are for identification purpose only.

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
current accounts with partners			
Portfolio grouped with ages	1,800,331,401.49	329,609,174.69	18.31
Including: Within one year	1,063,709,593.77	10,637,095.94	1.00
1-2 years	311,440,784.76	15,572,039.24	5.00
2-3 years	100,534,954.85	20,106,990.97	20.00
3-4 years	67,866,551.17	33,254,610.07	49.00
4-5 years	18,725,217.97	11,984,139.50	64.00
Over 5 years	238,054,298.97	238,054,298.97	100.00
Subtotal	30,894,683,459.17	368,964,256.36	1.19

(2) Age analysis

Ages	Closing book balance
Within 1 year	19,764,478,327.31
1-2 years	8,023,911,493.62
2-3 years	2,546,080,196.69
3-4 years	229,373,823.91
4-5 years	74,089,034.00
Over 5 years	256,750,583.64
Total	30,894,683,459.17

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	92,042,448.68	243,493,055.60		335,535,504.28
Opening balance in the current period				
--Transferred to phase II	-4,750,941.15	4,750,941.15		
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period	47,892,539.26	19,807,421.86		67,699,961.12
Provision recovered in current period				
Provision reversed in current period				
Provision written off in current period	72,274.57	29,997,119.64		30,069,394.21
Other changes [Note]	-4,201,814.83			-4,201,814.83
Closing balance	130,909,957.39	238,054,298.97		368,964,256.36

Note: Other changes were mainly provision for bad debts decreased due to the disposal of

subsidiaries.

(4) Other receivables written off in current period

a. Other receivables actually written off in current period totaled 30,069,394.21 yuan.

b. Significant other receivables written off in current period

Debtors	Nature of receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Whether arising from related party transactions
中川国际矿业控股有限公司 (Zhongchuan International Mining Holding Co., Ltd.*)	Earnest money	29,997,119.64	Case closed	Deliberated and approved by the Management	No
Subtotal		29,997,119.64			

(5) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Operating current accounts with partners	12,839,123,473.02	8,024,373,763.68
Balances due from associates and joint ventures	11,098,440,865.84	7,183,642,780.01
Deposits	5,156,787,718.82	5,733,218,070.49
Payment for project cooperation	167,750,000.00	626,167,345.97
Temporary advance payment receivable	536,563,981.06	583,764,122.96
Payment for land remediation	166,033,635.00	166,034,059.79
Others	929,983,785.43	516,338,411.54
Total	30,894,683,459.17	22,833,538,554.44

(6) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
洛阳国家高新技术产业开发区管委会 (Luoyang National New & High Tech Industrial Development Zone Management Committee*)	Deposits	1,000,000,000.00	2-3 years	3.24	500,000.00
杭州绿盈置业有限公司 (Hangzhou Lyuying Property Co., Ltd.*)	Operating current accounts with partners	862,454,867.62	Within 1 year	2.79	1,724,909.74
洛阳绿宏置业有限公司 (Luoyang Lyuhong Property Co., Ltd.*)	Operating current accounts with partners	805,312,706.67	Within 1 year, 1-2 years	2.61	1,610,625.41
重庆海成实业(集团)有限公司 (Chongqing Haicheng Industrial (Group) Co., Ltd.*)	Operating current accounts with partners	787,855,452.43	1-2 years	2.55	1,575,710.90

* The English names are for identification purpose only.

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
上海新碧房地产开发有限公司 (Shanghai Xinbi Real Estate Development Co., Ltd.*)	Operating current accounts with partners	716,302,380.76	Within 1 year, 1-2 years	2.32	1,432,604.76
Subtotal		4,171,925,407.48		13.51	6,843,850.81

8. Inventories

(1) Details

Items	Closing balance		
	Book balance	Provision for write-down	Carrying amount
Raw materials	14,641,403.66		14,641,403.66
Low-value consumables	756,752.21		756,752.21
Goods on hand	77,071,295.24		77,071,295.24
Development cost	198,893,529,702.06	812,345,107.93	198,081,184,594.13
Goods to be developed	4,277,117,624.49		4,277,117,624.49
Developed goods	32,071,330,402.91	394,563,738.61	31,676,766,664.30
Leased developed goods	322,504,122.65		322,504,122.65
Cost to fulfill a contract	202,611,460.42		202,611,460.42
Total	235,859,562,763.64	1,206,908,846.54	234,652,653,917.10

(Continued)

Items	Opening balance [Note]		
	Book balance	Provision for write-down	Carrying amount
Raw materials	26,868,745.39		26,868,745.39
Low-value consumables	846,360.73		846,360.73
Goods on hand	86,862,051.21		86,862,051.21
Development cost	192,394,659,186.33	801,564,979.99	191,593,094,206.34
Goods to be developed	2,187,249,600.00		2,187,249,600.00
Developed goods	19,194,262,482.44	226,757,120.96	18,967,505,361.48
Leased developed goods	296,439,717.53		296,439,717.53
Cost to fulfill a contract	827,403,190.78		827,403,190.78
Total	215,014,591,334.41	1,028,322,100.95	213,986,269,233.46

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

* The English name is for identification purpose only.

(2) Provision for inventory write-down

1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual [Note 1]	Others [Note 3]	Reversal or write-off [Note 2]	Others [Note 3]	
Development cost	801,564,979.99	367,579,732.90		76,517,138.65	280,282,466.31	812,345,107.93
Developed goods	226,757,120.96	122,334,933.24	280,282,466.31	234,810,781.90		394,563,738.61
Subtotal	1,028,322,100.95	489,914,666.14	280,282,466.31	311,327,920.55	280,282,466.31	1,206,908,846.54

Note 1: In the current reporting period, provision for inventory write-down of 192,154,954.71 yuan was made for Luzhou Jinke Bocui Bay, 175,424,778.19 yuan for Hangzhou Qiantang Bocui, 46,225,591.32 yuan for Ganzhou Jinke Jimei Mansion, 56,628,407.67 yuan for Nanjing Bocui Garden, 19,480,934.25 yuan for Ya'an Jinke Tianchen, totaling 489,914,666.14 yuan.

Note 2: Provision for inventory write-down reversed totaled 79,602,831.92 yuan.

Note 3: "Others" referred to the provision for inventory write-down calculated on a pro-rata basis due to development cost carried forward to developed goods after completion.

2) Determination basis of net realizable value and reasons for the reversal or write-off of provision for inventory write-down

a. Determination basis of net realizable value

For the surplus developed goods of the completed real estate projects at the end of the period, the net realizable value is determined based on the estimated selling price less the estimated selling expenses and corresponding taxes and surcharges; for the development costs of uncompleted real estate projects at the end of the period and goods to be developed, the net realizable value is determined based on the estimated selling price less the cost to be incurred to completion, the estimated selling expenses and corresponding taxes and surcharges; the estimated selling price is divided into price for presold part and price for unsold part, the estimated selling price for presold part is determined at actual contractual amount, and price for unsold part is determined based on recent average selling price or the market price of similar products in combination with the project's position, quality and sales plan.

b. Reasons for the reversal or write-off of provision for inventory write-down

The Company conducts impairment test of inventories based on actual selling price and annual sales plan. Provision for inventory write-down will be made if the accrued provisions are larger than accumulated provisions; otherwise, provision for inventory write-down will be reversed.

(3) Capitalization of borrowing cost

Among the closing balance of inventories in 2020, capitalization of borrowing costs amounted to 16,133,190,697.19 yuan (2019: 13,708,170,309.57 yuan). Capitalization rate for determining the capitalization amount of borrowing cost in 2020 was 7.61% (2019: 7.76%).

(4) Other remarks

1) Inventories – Development cost

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Jiangjin Jimei Orient	March 2019	March 2021	171,962.00	495,500,805.84	784,015,443.75
Chongqing Jinke Langting Yazhu	July 2018	December 2021	443,624.00	1,668,987,433.42	2,188,727,074.93
Chongqing Jinke Meichen	April 2019	March 2021	73,000.00	624,510,037.39	486,550,234.31
Chongqing Jinke City	July 2013	January 2022	477,193.00	293,400,805.03	653,909,535.73
Chongqing Beibei Jimei Jiayue M01	December 2017	March 2021	236,604.66	832,027,896.68	2,213,138,368.38
Chongqing Jinke Times Center	April 2013	July 2021	585,535.00	1,586,319,484.20	1,772,561,532.31
Chongqing Bocui Future	July 2020	August 2022	323,276.46	1,632,481,577.25	
Chongqing Nanchuan Jinke World City	November 2014	January 2021	290,000.00	418,371,473.31	286,407,981.64
Chongqing Tianyi House	August 2018	April 2021	177,204.00	768,472,364.49	1,176,608,311.47
Chongqing Xiyong Tianchen (Phase I)	June 2014	April 2021	504,872.70	1,016,393,096.77	831,155,764.73
Chongqing Jinke South Mountain Yishanqian	April 2019	December 2022	96,000.00	543,038,584.88	458,488,527.19
Chongqing Jinke Nanshan Kanshanyun	March 2020	April 2022	75,223.73	537,314,970.06	
Chongqing Bocui Mountain Foot	May 2019	June 2021	121,100.00	933,892,808.11	759,103,800.30
Chongqing Qingxi Wood	September 2020	June 2023	78,008.92	466,162,590.36	
Chongqing Bocui Chenzhang	September 2020	April 2022	127,144.16	731,222,392.11	
Chongqing Langyue Jiangshan	October 2018	July 2021	341,833.00	1,068,353,412.16	1,833,418,253.65
Chongqing Wushan Jinke City (Phase II)	September 2017	March 2021	223,802.00	612,756,839.93	495,632,921.19
Chongqing Fuling Jinke Bocui Mansion	September 2017	June 2021	115,000.00	509,430,171.33	820,499,751.46
Zhongxian Jinke Jimei Jiangshan	May 2018	August 2021	457,594.00	1,052,711,271.26	1,436,694,768.88
Fengdu Jimei Orient	August 2019	July 2021	223,927.00	647,734,827.52	309,228,202.36
Chongqing Fuling Jinke Jimei County	September 2018	July 2024	83,000.00	341,260,862.97	484,040,711.27
Changshou Jinke World City	June 2013	July 2021	466,646.00	660,636,301.61	783,259,747.44
Fuling Changjiang Star	August 2019	September 2021	65,000.00	455,438,311.80	354,552,628.83
Chongqing Fuling Jinke Metropolis	January 2020	May 2021	279,824.36	770,990,594.96	
Chongqing Tongliang Jimei Orient Phase II	July 2019	March 2021	115,000.00	627,830,339.07	427,198,846.29
Chongqing Tongliang Jimei Orient Phase I	January 2019	January 2021	125,000.00	568,703,920.03	856,819,064.67
Chongqing Qijiang Yujing Jiangwan	November 2018	March 2022	112,681.00	332,702,520.55	603,618,403.75
Chongqing Rongchang Liyue Orient	December 2018	March 2022	397,463.00	1,395,785,134.20	1,821,338,371.43
Chongqing Dazu Jimei Tianchen	April 2019	April 2021	60,000.00	409,232,020.85	264,972,815.49
Chongqing Tongliang Bocui Cloudy Residence	May 2019	November 2021	125,000.00	914,991,185.01	623,158,650.16
Jinke Beimeng Hushan No. 1	April 2019	July 2021	100,000.00	700,662,480.52	451,256,418.70

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Chongqing Tangyue Mansion	July 2019	August 2022	235,870.00	1,340,879,279.09	649,571,614.14
Chongqing Tongliang Yuanxiang Streamside	October 2020	September 2022	259,959.39	473,544,883.96	
Chongqing Jinke Guanlan	June 2015	May 2021	396,553.00	724,604,900.26	539,906,438.58
Yunyang Jimei Jiangyue Phase I	September 2018	October 2021	106,019.00	493,793,962.23	371,523,975.23
Yunyang Jimei Jiangyue Phase II	November 2019	February 2022	109,385.00	464,721,914.93	259,214,183.84
Chongqing Kaixian Jimei Riverside Area A	June 2019	June 2021	100,937.83	715,797,147.36	493,123,690.22
Chongqing Kaixian Yongjingtai	October 2018	July 2021	170,000.00	610,385,697.62	1,034,594,235.13
Chongqing Liangping Jimei Orient	December 2018	December 2021	164,736.00	467,739,922.70	728,668,432.71
Dazhou Jimei Jiayue	July 2020	July 2022	155,255.94	509,034,746.95	
Zunyi Jinke Jimei Orient (Phase II)	September 2019	November 2021	174,099.19	710,638,734.32	525,421,027.24
Zunyi Jinke Egret Lake	June 2018	June 2021	93,394.00	251,190,344.50	576,746,297.78
Zunyi Jinke Wanlu Mansion	July 2019	November 2021	256,555.00	615,365,602.82	517,984,888.45
Zunyi Jinke Jimei Hanlin Academy	May 2018	April 2021	86,790.00	393,144,391.29	630,659,792.31
Zunyi Jinke Huichuan City	September 2019	October 2021	128,847.45	400,502,078.72	272,992,736.51
Guiyang Oriental Tianyue (Phase I)	June 2019	February 2021	107,418.59	441,594,883.00	267,758,701.08
Guizhou Jiuhua Linyun	July 2018	May 2021	247,143.00	1,811,720,005.25	1,628,817,462.42
Guiyang Zhongtai Tianjing	June 2019	September 2021	216,109.00	683,479,601.17	447,631,175.77
Ya'an Jinke Jimei Shuxiang Mansion	June 2019	November 2021	125,956.00	731,923,280.27	617,181,932.74
Chengdu Wenjiang Jinke Bocui Bay	November 2019	May 2022	190,000.00	1,267,091,586.14	849,791,405.55
Panzhihua Jinke Jimei Sunshine	June 2018	March 2021	261,876.00	624,407,648.10	1,071,378,672.47
Guanghan Jinke Jimei Riverside	November 2018	July 2022	225,561.00	532,081,265.67	1,214,812,205.76
Hechuan Jimei Jiangshan	December 2018	June 2021	228,885.00	601,864,374.10	1,039,342,606.93
Ziyang Jimei Tianyue	January 2019	April 2021	170,000.00	772,898,244.10	836,375,357.78
Guang'an Jinke Jimei Tianchen	April 2019	May 2021	132,585.35	576,245,876.89	695,480,781.47
Yibin Jimei Tianchen	April 2019	March 2021	199,186.37	967,287,867.93	673,485,621.61
Pidu Jimei Tianchen	May 2019	August 2021	100,716.28	817,044,724.96	600,863,746.74
Dazhou Jimei Tianchen	December 2019	March 2022	156,178.67	875,593,932.93	1,744,864.20
Guang'an Jinke Jimei Tianchen (Phase III)	December 2019	February 2022	143,081.00	637,835,712.98	8,355,045.37
Yibin Jinke City	February 2020	September 2022	360,680.38	1,293,190,381.69	
Chengdu Jinke Bocui Mountain	July 2020	October 2022	254,779.03	1,354,843,308.48	
Chengdu Jinke Zhongliang Meiyuan	July 2020	March 2023	273,436.67	1,490,384,279.44	
Deyang Jimei Residence	June 2020	August 2022	163,900.92	801,397,473.01	
Yibin Jimei Jiangshan	June 2020	December 2022	262,280.08	1,081,747,487.99	

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Suining Jimei Jiayue	January 2019	March 2021	169,939.43	708,616,254.16	1,084,799,372.61
Neijiang Jimei Tianchen	September 2018	February 2021	223,128.00	568,441,915.46	1,032,490,325.69
Neijiang Jimei Star	June 2019	September 2021	194,471.00	889,708,723.75	58,484,495.22
Neijiang Jinke Emerald Park	March 2019	April 2021	210,000.00	1,166,406,715.10	776,637,563.91
Nanchong Jinke Jimei Tianyue	June 2019	April 2021	89,545.43	600,636,694.65	381,848,569.33
Nanchong Jimei Jiayue	August 2019	March 2021	99,852.71	614,068,728.09	454,263,153.37
Xianyang Jinke World City	November 2014	December 2021	328,125.00	585,949,780.11	1,161,016,640.69
Xi'an Bocui Tianchen	November 2019	January 2022	420,854.48	1,083,888,145.69	645,650,577.77
Ankang Jinke Jimei County	October 2019	April 2022	183,798.00	620,948,448.61	299,035,332.72
Xianyang Jinke Jimei Jiayue	September 2020	December 2022	693,420.45	2,025,753,430.39	
Tianjin Jinke Tianhu (South Garden)	December 2017	April 2021	218,111.00	1,544,192,998.40	1,332,178,959.99
Tianjin Jinke Bocui Bay	June 2017	September 2021	464,640.00	3,892,574,233.16	3,433,159,872.12
Tianjin Guanlan	September 2018	July 2021	212,696.47	1,394,622,945.57	1,322,284,722.46
Tianjin Jimei Yongyang	June 2019	September 2021	274,260.00	1,736,440,476.13	1,390,936,834.50
Tianjin Jimei Tiancheng	June 2018	September 2021	97,976.00	537,172,867.27	315,153,886.51
Tianjin Quyang Mansion	September 2018	July 2021	98,000.00	545,730,260.69	438,875,125.40
Handan Jinke Country Garden Emerald Lanessan	August 2019	September 2022	134,614.01	517,340,812.99	368,781,014.81
Shijiazhuang Jinke Jimei County	February 2019	August 2021	94,823.93	745,572,259.87	609,416,928.72
Shenyang Jimei Tiancheng	September 2018	December 2021	274,381.00	1,200,001,214.99	1,416,092,972.07
Shenyang Jimei Orient	December 2019	July 2022	138,277.79	923,791,147.87	214,852.42
Shenyang City of Star	September 2020	October 2022	392,648.89	564,082,539.12	
Wuxi Fortune Commercial Plaza	January 2013	March 2022	260,842.00	721,633,502.85	570,352,959.96
Wuxi Lihu No.1 Phase III	December 2017	June 2021	398,406.00	314,666,399.23	2,712,590,059.56
Yixing Jinke Guili	October 2019	December 2021	168,033.00	1,146,363,766.75	942,870,614.27
Suzhou Qiantang Pingjiang	July 2018	April 2021	470,361.57	2,736,883,263.12	3,746,670,623.42
Suzhou Four Seasons Spring	December 2018	September 2021	213,122.00	1,793,416,790.99	1,660,376,003.78
Pinghu Haiyue Fenghua	May 2019	May 2021	75,000.00	517,214,148.44	401,654,967.97
Zhangjiagang Jinli Garden	August 2019	May 2022	141,008.00	1,081,283,014.22	880,034,830.05
Suzhou Pingjiang Impression Garden	October 2020	March 2023	269,131.93	1,829,417,088.52	
Hefei Four Seasons Spring	April 2020	July 2022	91,732.55	661,240,105.86	
Hefei Tianchen Garden	November 2017	August 2021	490,972.00	2,082,552,299.79	2,563,647,064.98
Hefei Duhui Grand View	October 2018	March 2021	215,646.00	1,340,801,213.98	1,636,259,220.06
Hefei Jinmei Garden	September 2019	November 2021	95,563.00	714,552,775.99	622,039,538.40

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Nanjing Jinke Guantianxia Mountain Villa	April 2017	December 2022	192,762.19	1,189,596,193.51	916,075,645.38
Zhenjiang Jinke Xiangsheng Yueyuan	July 2019	September 2021	90,011.20	504,450,588.26	443,934,895.39
Taixing Jinke Jimei Yayuan	June 2019	June 2021	133,728.00	826,688,677.06	623,748,828.60
Nanjing Shanhe Chenyuan	April 2020	December 2022	343,322.44	2,457,610,131.70	
Nanjing Xiyue Garden	October 2020	June 2023	228,956.65	1,181,443,552.76	
Fuyang Jimei Sunshine	May 2019	December 2021	71,643.18	544,482,215.38	358,204,252.99
Fuyang Yifang City	May 2019	December 2021	280,211.00	1,351,165,396.26	1,152,337,240.87
Yancheng Jimei Wanghu Mansion A	March 2019	January 2022	71,902.00	502,491,469.60	291,894,359.63
Yancheng Jimei Wanghu Mansion B	June 2019	January 2022	334,420.00	913,991,202.75	833,146,138.67
Suqian Metropolitan Light Garden	October 2019	April 2022	293,911.00	1,478,096,464.07	1,044,947,782.38
Zibo Jinke Jimei Tianchen	November 2018	April 2021	323,077.00	1,248,600,196.27	689,357,871.53
Jinan Jinke World City	December 2017	April 2021	747,260.00	2,207,642,989.07	2,116,156,366.27
Jinan Lanshan Mansion	November 2016	February 2021	220,408.00	877,186,422.03	1,093,616,878.76
Tai'an Peach Blossom	September 2017	August 2021	221,307.00	923,310,599.38	986,626,119.42
Jinan Oriental Bocui	August 2018	December 2021	422,024.00	3,977,496,765.16	3,587,340,481.29
Zibo Jinke Jimei Jiayi	May 2019	March 2022	180,456.25	1,000,199,576.76	771,940,050.23
Liaocheng Jinke Jimei Yipin	July 2019	December 2022	157,673.00	829,386,795.14	691,995,626.43
Jinan Jimei Tianyue	September 2019	June 2022	272,889.00	1,623,122,146.22	1,355,476,969.72
Liaocheng Hanlin Tianyue	October 2020	August 2023	176,557.18	701,175,086.01	
Yantai Bocui Mountain	April 2019	March 2021	210,870.00	753,544,686.40	611,766,171.39
Zaozhuang Jinke Hengxin Jimei Tianchen	November 2019	August 2022	136,900.00	656,771,691.60	841,383,420.49
Rizhao Jinke Jimei View	August 2019	September 2021	104,806.00	629,122,054.88	482,605,677.48
Qingdao Jinke Hongyang Jimei Time	December 2020	December 2022	176,940.31	708,550,010.20	
Rizhao Jinke Jimei Wanxiang	October 2020	November 2023	94,135.21	430,143,296.74	
Wuhan Jinke City	September 2017	March 2021	875,755.00	5,136,745,430.95	6,491,307,741.55
Zaoyang Jinke Guantianxia	May 2019	May 2021	55,134.00	453,705,545.92	334,765,896.63
Jinke Jimei Academy	March 2020	June 2022	155,000.00	732,344,906.71	
Yichang Yunxitai	September 2020	May 2022	204,522.89	898,119,874.28	
Jinke Taohu Meizhen	September 2020	October 2022	384,953.58	675,195,782.24	
Jingzhou Bocui Jiangyue	September 2020	January 2023	100,059.71	434,684,335.00	
Wuhan Jinghu Neighbourhood	November 2018	January 2025	543,710.00	1,361,577,591.76	1,293,167,814.31
Xiaohan Jinke Jimei Mansion	December 2019	November 2021	111,145.00	487,182,108.96	238,440,573.49
Liuyang Tianhu New City	October 2011	April 2021	175,338.00	763,020,452.16	755,263,804.65

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Zhuzhou Jimei Yajun	August 2018	April 2021	103,000.00	566,393,696.63	637,436,811.91
Yueyang Jimei Orient	December 2018	May 2021	136,844.00	736,814,263.93	507,394,561.59
Yongzhou Taoli County	June 2019	June 2021	137,289.71	731,510,136.84	527,102,277.00
Changsha Jinke Meiyuan	June 2019	April 2021	160,158.00	695,210,355.84	484,214,325.96
Yiyang Jinke Jimei Orient	June 2019	June 2021	148,664.78	801,331,962.25	613,094,136.66
Miluo Jinke Jimei Lanxiu	November 2019	September 2021	150,000.00	401,830,297.23	22,526,204.64
Chengzhou Jinke Couty	March 2020	May 2022	129,186.58	577,961,760.71	
Kunming Jimei Yuxi Tianchen	April 2019	October 2022	390,000.00	977,207,980.17	795,677,352.47
Yuxi Taoli County	April 2019	April 2021	72,000.00	494,342,258.53	346,960,189.33
Kunming Jimei Yuxi Xingtai	April 2019	June 2022	70,460.00	460,917,298.51	357,768,058.72
Kunming Jimei Yuxi Star, Tianchen	April 2019	March 2021	171,000.00	1,224,288,420.76	950,090,851.91
Pu'er Longyue Mansion	April 2019	June 2021	80,000.00	432,774,302.60	318,408,692.56
Yunnan Jinke Jimei Tianyue	July 2019	December 2021	168,188.00	577,531,133.48	347,000,362.50
Zhaotong Jimei Star Ocean	September 2020	January 2023	185,583.18	544,900,142.39	
Nanning Jinke Guantianxia	April 2017	April 2021	367,150.00	684,354,683.01	1,896,703,148.10
Yunlin Jinke Jimei Yianyue	May 2019	June 2021	82,537.39	543,180,243.38	389,641,895.38
Guilin Jimei Orient Phase I	May 2019	September 2021	245,073.00	516,078,752.65	345,246,053.50
Liuzhou Jinke Jimei Tianyue	August 2018	April 2021	100,000.00	478,319,982.04	665,691,978.46
Nanning Jinke Bocui Jiangshan	May 2019	May 2021	80,000.00	487,783,252.90	378,416,060.60
Nanning Jinke Bocui Bay	May 2019	August 2022	105,000.00	597,060,954.09	522,582,682.73
Nanning Jinke Bocui Tianchen	September 2019	November 2021	91,154.00	643,860,802.10	488,063,306.51
Guigang Boyuan Mansion	June 2019	April 2022	253,570.00	979,742,388.43	834,485,267.90
Jinke Central Plains	January 2016	May 2022	3,600,000.00	3,498,214,845.12	1,342,210,066.98
Xuchang Furong Tianchen	July 2018	March 2021	130,317.87	935,215,906.96	689,006,241.08
Nanyang Jinke Jimei Qingzhou	April 2019	December 2021	100,000.00	852,210,478.32	612,182,815.92
Luoyang Jinek Lyudu Tianchen	February 2019	December 2021	279,706.00	1,763,472,157.49	1,530,522,347.09
Xingyang Jinke Jimei Residence	May 2019	August 2021	104,234.32	660,137,143.71	487,475,427.82
Xuchang Luming Dijing Project	August 2019	January 2023	180,000.00	1,090,916,990.41	820,809,926.00
Jinke Bocui Orient	December 2019	July 2022	116,500.00	618,543,418.79	470,710,265.59
Nanyang Taoli County	June 2020	November 2022	88,086.18	460,966,561.54	
Shantou Bocui Mansion	February 2020	April 2022	214,128.65	1,040,563,498.89	
Foshan Jinke Tianchenwan Mansion	August 2018	June 2021	104,221.00	773,148,105.99	589,747,575.71
Foshan Shanyi Shuifu Garden	August 2018	March 2021	263,480.00	1,331,638,462.41	1,067,407,554.16
Guangzhou Jinke Jimei Lingxiu	September 2018	August 2022	294,187.00	2,073,793,153.33	1,776,221,230.88
Foshan Jinke Meiwan	August 2018	May 2021	234,621.00	1,497,076,678.22	1,123,239,468.16

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Garden					
Guangzhou Jinke Bocui Pearl	February 2019	July 2021	194,275.96	1,428,425,894.78	1,206,732,726.07
Shaoguan Jimei Jiangshan	June 2020	December 2021	113,093.52	442,117,794.06	
Foshan Jinke City	July 2020	July 2022	382,869.61	1,738,302,598.92	
Nanchang Jinke Jimei Sunshine	November 2017	March 2021	178,119.00	784,975,349.56	1,648,403,363.35
Nanchang Jinke Jimei Jiulong Lake	December 2018	September 2021	171,195.08	737,148,138.87	1,219,194,421.60
Nanchang Jimei Sunshine Tianchen Project	April 2019	October 2021	212,272.00	1,478,165,891.48	1,256,381,679.64
Ruijin Jinke Highway Jimei Tianchen	June 2019	July 2021	70,712.00	465,829,484.46	345,970,614.85
Jingdezhen Jinke Huadi Ziyuan	August 2019	May 2021	122,164.16	709,939,084.10	556,357,560.42
Ganzhou Jinke Highway Jimei Tianchen Yuxi	June 2020	August 2022	108,467.72	464,913,381.76	
Nanchang Jinke Shimao Guanlan Mansion	September 2020	June 2022	281,468.54	792,720,751.63	
Hangzhou Bocui Mansion	March 2018	February 2021	251,900.00	2,004,997,087.77	1,883,873,682.46
Hangzhou Qiantang Bocui	February 2019	March 2022	527,071.00	4,103,486,125.47	3,855,901,331.58
Hangzhou Jinke Taidu	December 2018	December 2021	584,098.00	4,231,134,465.27	3,883,859,563.73
Wenzhou Jimei Huating	May 2019	August 2021	145,200.00	1,103,350,846.30	845,996,729.14
Wenzhou Yaojiang Bay	September 2019	October 2021	77,898.00	642,969,537.42	495,915,848.32
Wenzhou Wenhui Neighbourhood	August 2020	December 2022	78,525.57	420,092,529.54	
Hangzhou Jinke Times Tianyue	November 2020	April 2023	205,448.73	941,283,907.06	
Ningbo Jiuyue Neighbourhood	April 2019	October 2021	166,974.00	1,571,512,931.99	1,366,285,854.57
Shaoxing Jinke Hangyue Mansion	November 2019	April 2022	233,504.00	1,098,256,503.88	902,287,584.04
Shaoxing Zeshuipai Project	December 2020	June 2023	592,513.87	3,260,526,932.63	
Shanxi Bocui Tianchen	May 2019	June 2021	404,188.00	1,910,253,286.07	1,381,905,746.36
Shanxi Smart Tech City	November 2018	June 2021	209,983.00	432,484,665.75	572,249,643.66
Weifang Liyue Orient	November 2019	June 2021	120,353.00	488,114,959.02	1,775,958.90
Jiangjin Jimei City	September 2019	November 2021	330,000.00	765,955,917.02	11,056.00
Others [Note 2]				11,111,177,916.08	49,040,417,971.17
Total				198,893,529,702.06	192,394,659,186.33

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

2) Inventories – Goods to be developed

Project name	Expected starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Chongqing Dianjiang Jimei Peony Lake	March 2021	July 2022	120,598.00	261,174,700.00	
Chongqing Wanzhou Xiangshanyuan Projec	July 2021	July 2022	110,000.00	282,069,600.00	
Jinan Jinke World City	January 2022	March 2024	44,779.11	324,599,487.21	
Zaozhuang Jinke Hengxin Jimei Tianchen	April 2021	December 2022	124,503.56	451,256,000.00	
Tianjin Guanlan	April 2022	August 2024	229,303.79	124,462,266.15	
Langfang Jimei Literature	February 2021	August 2024	130,900.00	563,686,029.94	
Bozhou Jinke Mansion	March 2022	September 2023	140,750.64	290,690,532.47	
Xuzhou Hanwang Town	October 2021	January 2024	458,705.20	926,915,800.00	
Yingshang Yunhu Spring	January 2021	August 2023	98,738.57	114,235,769.78	
Linqan Jimei Yunjing	April 2021	July 2023	73,758.62	113,241,064.20	
Yingshang Jinke Jimei Wuli	February 2021	April 2023	121,450.50	385,000,000.00	
Others [Note 2]				439,786,374.74	2,187,249,600.00
Total				4,277,117,624.49	2,187,249,600.00

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

3) Inventories – Developed goods

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Chenzhou Jinke City	September 2020	149,237,238.34	330,796,047.50	236,149,390.04	243,883,895.80
Chengdu Jinke Bocui Linhu	December 2019	921,128,540.85		901,277,325.93	19,851,214.92
Chengdu Jinke Bocui Tianchen	July 2020	1,203,430,258.94	1,346,348,489.16	2,075,969,273.52	473,809,474.58
Fengdu Jinke Golden Coast	December 2020	111,400,585.83	654,336,461.76	533,904,153.23	231,832,894.36
Fuling Jinke Central Park City	December 2020	81,369,814.40	621,614,491.27	308,177,144.27	394,807,161.40
Hefei Bandao No.1	December 2020	314,656,922.30	954,969,810.34	952,154,618.53	317,472,114.11
Hefei Haiyue Orient Garden	June 2020	190,322,550.43	823,500,133.63	631,541,627.00	382,281,057.06
Hefei Tianchen Garden	November 2020	1,324,123,624.69	683,663,666.96	1,865,546,641.26	142,240,650.39
Jinan Lanshan Mansion	September 2020	183,589.99	468,747,612.87	388,110,078.83	80,821,124.03
Liuzhou Jinke Tianchen	May 2020	50,123,977.57	591,109,895.71	585,153,522.25	56,080,351.03
Luzhou Jinke Bocui Bay	December 2020	117,935,588.88	1,840,986,393.89	1,179,043,179.60	779,878,803.17
Nanchong Jimei Tianchen	May 2020		349,240,476.11	277,746,081.30	71,494,394.81
Nanning Jinke Guantianxia	December 2020	44,179,897.07	1,585,975,235.18	996,228,213.01	633,926,919.24
Neijiang Park Mansion	December 2020	145,041,687.00	906,271,322.01	772,422,499.69	278,890,509.32

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Qingdao Jinke Sunshine Meizhen	January 2020	73,038,860.80	1,005,347,094.31	1,008,316,334.17	70,069,620.94
Suining Jinke Meihuwan Xiangshan	March 2020	350,236,604.82	350,973,457.45	160,299,613.71	540,910,448.56
Tai'an Peach Blossom	September 2020	50,534,525.87	234,307,524.80	234,408,051.40	50,433,999.27
Beijing Jinke Tianxi	August 2017	468,752,878.46		168,299,631.77	300,453,246.69
Beijing Jinke Center	August 2018	513,360,778.75		75,585,989.85	437,774,788.90
Wuxi Lihu No.1 Phase III	October 2020	112,427,417.40	2,709,913,157.82	2,515,087,964.63	307,252,610.59
Xi'an Jinke Tianlai City	November 2018	167,023,937.60		28,327,567.46	138,696,370.14
Xianyang Jinke World City	December 2020	43,575,466.84	1,050,331,962.08	1,083,108,807.64	10,798,621.28
Yongchuan Jinke Jimei Tianchen	May 2020	67,810,526.73	691,522,483.24	587,021,838.32	172,311,171.65
Yunyang Jinke World City	December 2020	232,924,608.17	476,949,795.56	416,248,769.79	293,625,633.94
Changshou Jinke World City	December 2020	175,501,188.47	500,901,793.63	555,861,306.67	120,541,675.43
Chongqing Jimei Jinwan	June 2020	177,283,312.81	494,769,279.90	399,268,871.22	272,783,721.49
Chongqing Jinke City	March 2020	226,322,539.18	536,382,037.30	471,248,800.70	291,455,775.78
Chong Jinke Jimei Sunshine	December 2020	59,414,956.35	2,022,680,134.42	1,507,068,216.59	575,026,874.18
Chongqing Jinke Jiuquhe	August 2020	839,492,193.67	672,369,902.93	811,159,488.12	700,702,608.48
Chongqing Jinke Langqiao Shuixiang	April 2019	431,838,039.42		55,093,253.08	376,744,786.34
Chongqing Jinke Tianyuan Road (Phase I)	January 2020	244,569,289.03	322,241,327.41	234,721,963.50	332,088,652.94
Chongqing Jinek Yunlin River	July 2020	125,549,641.53	801,932,950.40	499,562,111.25	427,920,480.68
Chongqing Liangjiang Health Science and Technology New City	September 2020	288,015,599.81	182,229,288.14	130,492,209.73	339,752,678.22
Chongqing Nanchuan Jinke World City	December 2020	184,992,313.12	180,205,133.63	184,326,247.50	180,871,199.25
Chongqing Tianyuan Road Zone 2	December 2019	244,375,809.61	18,129,383.89	34,839,182.10	227,666,011.40
Chongqing Wushan Jinke City	November 2020	227,295,159.87	804,196,299.41	742,570,591.93	288,920,867.35
Chongqing Xiyong Tianchen Phase II	April 2020	213,792,202.60	702,697,287.73	672,298,711.16	244,190,779.17
Chogniqng Xiyong Tianchen Phase I	May 2020	377,050,982.22	184,197,614.77	360,140,198.17	201,108,398.82
Chongqing Beibei Jimei Jiayue M07/08	May 2020	163,196,625.85	363,160,782.81	376,429,358.58	149,928,050.08
Chongqing Bishan Bocui Tiancye	March 2020	5,795,724.00	327,340,552.76	295,794,562.88	37,341,713.88
Chongqing Jimei County	October 2020	132,100,399.24	800,843,199.61	744,806,475.43	188,137,123.42

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Chongqing Kaixian Jinke Bocui Riverside	November 2020	67,069,453.79	428,749,016.92	342,668,196.87	153,150,273.84
Chongqing Nanchuan Jinke World City Phase III	June 2020	3,752,925.33	824,409,135.10	523,649,339.40	304,512,721.03
Chongqing Wanzhou Jinke Guanlan	January 2019	267,105,340.49	1,873,689.09	13,934,153.87	255,044,875.71
Zunyi Jinke Jimei Tianchen	June 2020	6,284,418.61	496,563,960.23	482,895,938.96	19,952,439.88
Jiangjin Jimei Orient	December 2020		629,925,771.47	421,841,516.35	208,084,255.12
Chongqing Jinke Langting Yazhu	September 2020		875,348,268.24	584,301,687.61	291,046,580.63
Chongqing Beibei Jimei Jiayue M01	December 2020		1,895,577,503.13	1,059,309,721.72	836,267,781.41
Chongqing Jinke Times Center	December 2020	31,064,877.11	815,523,104.33	5,396,603.36	841,191,378.08
Chongqing Bocui Yangtze River	June 2020		970,484,506.75	800,788,102.51	169,696,404.24
Chongqing Fuling Jinke Bocui Mansion Project	June 2020		699,148,246.82	564,454,632.23	134,693,614.59
Changshou Jimei Academy	May 2020		436,786,887.80	319,895,589.97	116,891,297.83
Zhongxian Jinke Jimei Jiangshan	September 2020	59,728,464.26	593,169,068.27	433,671,036.10	219,226,496.43
Chongqing Fuling Jinke Metropolis	October 2020		474,913,906.95	256,119,970.73	218,793,936.22
Chongqing Qijiang Yujing Jiangwan	March 2020		576,100,442.42	360,802,651.17	215,297,791.25
Chongqing Wanzhou Jinke Guanlan Phase I	September 2020	2,996,331.44	777,572,746.19	529,408,800.16	251,160,277.47
Chongqing Liangping Jimei Orient	December 2020		519,933,173.34	419,402,988.62	100,530,184.72
Zunyi Jinke Egret Lake	October 2020		513,641,582.82	267,359,179.84	246,282,402.98
Chengdu Jinke Bocui Mansion	September 2020		1,405,078,044.17	1,230,259,130.03	174,818,914.14
Luzhou Jinke Jimei Tianchen	September 2020		820,819,955.79	660,659,009.66	160,160,946.13
Chengdu Jimei Institution	May 2020		449,717,187.98	288,934,656.37	160,782,531.61
Guanghan Jinke Jimei Riverside	September 2020		868,530,100.78	609,800,157.11	258,729,943.67
Hechuan Jimei Jiangshan	December 2020	62,265,203.26	838,334,005.20	549,410,175.06	351,189,033.40
Suining Jimei Jiayue	December 2020		496,310,726.96	300,074,486.88	196,236,240.08
Neijiang Jimei Tianchen	August 2020		785,444,187.61	458,424,928.88	327,019,258.73
Suining Jinke Meihuwan	June 2020	136,045,692.62	97,422,887.79	99,489,949.89	133,978,630.52
Suining Jimei Tianchen	December 2020		550,584,624.50	267,575,351.79	283,009,272.71
Tangshan Jinke Jimei County	December 2020		1,050,879,920.09	943,116,156.21	107,763,763.88
Wuxi Jinji Meizhu	November		781,958,875.24	607,780,554.21	174,178,321.03

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
	2020				
Jiashan Jimei Jiahe	December 2020	51,953,395.71	545,167,913.02	354,049,107.27	243,072,201.46
Suzhou Qiantang Pingjiang	May 2020		1,245,171,563.87	892,482,364.80	352,689,199.07
Suzhou Yuanjiang Building	November 2020		1,578,302,590.33	1,123,396,114.97	454,906,475.36
Nanjing Bocui Garden	October 2020		1,255,613,892.69		1,255,613,892.69
Wuhan Jinke City	December 2020		2,242,677,517.64	1,631,618,715.19	611,058,802.45
Changsha Jinke Times Center	April 2020	68,744,501.09	610,076,014.34	549,088,981.41	129,731,534.02
Foshan Jinke Bocui Tianxia	October 2020		2,526,521,093.54	109,247,095.82	2,417,273,997.72
Nanchang Jinke Jimei Sunshine	July 2020		1,128,982,130.14	971,578,703.17	157,403,426.97
Ganzhou Jinke Jimei Residence	October 2020		801,080,049.16	405,099,573.34	395,980,475.82
Nanchang Jinke Jimei Jiulong Lake	December 2020		713,087,666.56	611,708,286.66	101,379,379.90
Chongqing Langyue Jiangshan	December 2020	22,638,166.84	1,294,517,805.27	1,247,198,962.62	69,957,009.49
Others [Note 2]		7,565,207,853.38	17,769,939,357.21	17,747,351,243.05	7,587,795,967.54
Total		19,194,262,482.44	77,977,121,600.14	65,100,053,679.67	32,071,330,402.91

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

4) Inventories – Leased developed goods

Project name	Opening balance	Increase	Decrease	Closing balance
Chongqing Chayuan World City	14,979,568.20		469,204.80	14,510,363.40
Fulin Jinke Tianhu Town	3,053,980.85		102,337.92	2,951,642.93
Changshou Jinke World City	1,958,414.48	5,914,911.79	247,969.06	7,625,357.21
Liuyang Tianhu New City	22,516,033.01		740,187.84	21,775,845.17
Suzhou Fengjing Yiting	117,628,808.76		23,287,326.40	94,341,482.36
Chongqing Yongchuan Jinke Central Park City	42,976,514.01		1,129,171.14	41,847,342.87
Rongchang Jinke World City	6,247,860.10		91,347.45	6,156,512.65
Chongqing Jiangjin Jinke World City		18,287,016.66	206,356.70	18,080,659.96
Chongqing Jiangjin Central Park City		20,191,733.31	416,836.41	19,774,896.90
Chongqing Beibei Jimei Jiayue M07/08		56,827,666.23		56,827,666.23
Fuling Jinke Central Park City		12,989,777.18		12,989,777.18
Chongqing Fuling Jinke Metropolis		11,764,449.20		11,764,449.20

Project name	Opening balance	Increase	Decrease	Closing balance
Chongqing Dazu Jinke Central Park City		10,050,661.47	27,529.13	10,023,132.34
Suzhou Xinhong Jinke Jiayi Garden [Note 1]	58,500,722.34		58,500,722.34	
Hunan Changsha Tech New City [Note 1]	25,325,017.58		25,325,017.58	
Others [Note 2]	3,252,798.20	3,720,294.67	3,138,098.62	3,834,994.25
Total	296,439,717.53	139,746,510.51	113,682,105.39	322,504,122.65

Note 1: It was no longer included in the consolidation scope in current period.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

(5) As of December 31, 2020, the carrying amount of inventories pledged for borrowings totaled 79,665,937,387.00 yuan (2019: 79,614,260,549.72 yuan).

9. Contract assets

(1) Details

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Construction contracts	973,335,902.03	11,446,572.86	961,889,329.17
Total	973,335,902.03	11,446,572.86	961,889,329.17

(Continued)

Items	Opening balance [Note]		
	Book balance	Provision for impairment	Carrying amount
Construction contracts	255,154,399.44	3,827,315.99	251,327,083.45
Total	255,154,399.44	3,827,315.99	251,327,083.45

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

The Company's contract assets are mainly construction contracts between the Company and various customers. The Company performs its construction obligations in accordance with the contracts and receives payments as agreed. When the Company acquires the unconditional right to collect consideration, the contract assets will be transferred to accounts receivable.

(2) Significant changes in contract assets

Items	December 31, 2020
Opening balance	255,154,399.44

Items	December 31, 2020
Contract assets recognized at the beginning of the year and settled in current year	-51,948,721.44
Increase due to changes in measurement of performance progress	1,779,672,487.60
Amount increased and settled in current year	-1,009,542,263.57
Closing balance	973,335,902.03

(3) Provision for impairment of contract assets

1) Details

Items	Opening balance	Increase		Decrease			Closing balance
		Accrual	Others	Reversal	Write-off	Others	
Provision made on a collective basis	3,827,315.99	7,619,256.87					11,446,572.86
Subtotal	3,827,315.99	7,619,256.87					11,446,572.86

2) Contract assets with provision for impairment made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Portfolio grouped with government constructions	583,376,591.67	8,750,648.87	1.50
Portfolio grouped with associates and joint ventures constructions	245,836,517.61	245,836.52	0.10
Other portfolios	144,122,792.75	2,450,087.47	1.70
Subtotal	973,335,902.03	11,446,572.86	1.18

10. Other current assets

(1) Details

Items	Closing balance			Opening balance [Note]		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Cost to obtain a contract	2,700,371,505.81		2,700,371,505.81	1,044,282,264.49		1,044,282,264.49
Turnover tax to be transferred	6,769,391,181.09		6,769,391,181.09	5,844,779,485.99		5,844,779,485.99
VAT to be credited	1,294,782,797.21		1,294,782,797.21	1,185,826,302.37		1,185,826,302.37
Total	10,764,545,484.11		10,764,545,484.11	8,074,888,052.85		8,074,888,052.85

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Costs to obtain a contract

Items	Opening balance	Increase	Amortization	Provision for impairment	Closing balance
Real estate sales	1,044,282,264.49	2,568,905,854.00	912,816,612.68		2,700,371,505.81
Subtotal	1,044,282,264.49	2,568,905,854.00	912,816,612.68		2,700,371,505.81

(3) Other remarks

For commercial housing advances not recognized as revenue, taxes including urban maintenance and construction tax, education surcharge, local education surcharge, enterprise income tax, land appreciation tax and input VAT to be credited that are levied at statutory tax rate are presented under other current assets.

11. Debt investments

(1) Details

Items	Closing balance				
	Initial cost	Interest adjustment	Interest accrued	Provision for impairment	Carrying amount
Others [Note]	222,258,200.00				222,258,200.00
Total	222,258,200.00				222,258,200.00

(Continued)

Items	Opening balance				
	Initial cost	Interest adjustment	Interest accrued	Provision for impairment	Carrying amount
Others [Note]	216,497,850.00				216,497,850.00
Total	216,497,850.00				216,497,850.00

Note: It referred to the trust protection funds purchased for trust financing.

12. Long-term equity investments

(1) Categories

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	15,036,193,110.75		15,036,193,110.75
Investments in joint ventures	9,857,696,704.47		9,857,696,704.47
Total	24,893,889,815.22		24,893,889,815.22

(Continued)

Items	Opening balance [Note]		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	7,557,621,234.88		7,557,621,234.88
Investments in joint ventures	6,208,726,362.80		6,208,726,362.80

Items	Opening balance [Note]		
	Book balance	Provision for impairment	Carrying amount
Total	13,766,347,597.68		13,766,347,597.68

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Details

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures					
重庆金佳禾房地产开发有限公司 (Chongqing Jinjiahe Real Estate Development Co., Ltd.*, the "Chongqing Jinjiahe")	1,115,908,193.95		637,500,000.00	480,941,371.55	
河北国控蓝城房地产开发有限公司 (Hebei Guokong Lancheng Real Estate Development Co., Ltd.*, the "Guokong Lancheng")	257,362,822.28			-6,547,943.14	
嘉善盛诚置业有限公司 (Jiashan Shengcheng Real Estate Co., Ltd.*, the "Jiashan Shengcheng")	517,298,606.79	26,853,945.00		5,455,199.58	
郑州新银科置业有限公司 (Zhengzhou Xinyinke Property Co., Ltd.*, the "Zhengzhou Xinyinke")	343,644,766.60			-2,724,087.34	
金科置信集团有限公司 (Jinke Zhixin Group Co., Ltd.*, the "Jinke Zhixin")	470,801,131.92	347,765,900.00		45,079,278.65	11,211,962.46
湖南金科房地产开发有限公司 (Hunan Jinke Real Estate Development Co., Ltd.*, the "Hunan Jinke")	766,633,189.16			-15,334,090.88	
北京金科金碧置业有限公司 (Beijing Jinke Jinbi Property Co., Ltd.*, the "Beijing Jinke Jinbi")		716,123,411.76		3,650,309.42	
合肥金骏美合房地产开发有限公司 (Hefei Jinjun Meihe Real Estate Development Co., Ltd.*, the "Hefei Jinjun Meihe")		479,742,533.67		6,134,819.12	
重庆金美圆房地产开发有限公司 (Chongqing Jinmeiyuan Real Estate Development Co., Ltd.*, the "Chongqing Jinmeiyuan")		471,981,852.07		5,629,569.08	
常州梁悦置业有限公司	193,329,211.82	267,000,000.00		-24,753,659.76	

* The English names are for identification purpose only.

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
(Changzhou Liangyue Property Co., Ltd.*, the “Changzhou Liangyue”)					
山东爱丽舍置业有限公司 (Shandong Elysee Property Co., Ltd.*, the “Shandong Elysee”)		248,832,528.95			
重庆金煜辉房地产开发有限公司 (Chongqing Jinyuhui Real Estate Development Co., Ltd.*, the “Chongqing Jinyuhui”)		356,383,976.24		269,617.13	
Other joint ventures	2,543,748,440.28	1,140,982,119.95	874,680,986.67	957,238,295.80	
Subtotal	6,208,726,362.80	4,055,666,267.64	1,512,180,986.67	1,455,038,679.21	11,211,962.46
Associates					
云南金科鑫海汇置业有限公司 (Yunnan Jinke Xinhaihui Property Co., Ltd.*, the “Xinhaihui Property”)	253,380,486.26			2,110,555.15	
成都圳钰商贸有限公司 (Chengdu Zhenyu Trading Co., Ltd.*, the “Chengdu Zhenyu”)	685,918,620.99			-7.78	
上海臻墨利房地产开发有限公司 (Shanghai Zhenmoli Real Estate Development Co., Ltd.*, the “Shanghai Zhenmoli”)	899,995,241.94			-112,941.38	
常熟金宸房地产开发有限公司 (Changshu Jinchen Real Estate Development Co., Ltd.*, the “Changshu Jinchen”)	380,363,536.37			-8,351,036.11	
常州市美科房地产发展有限公司 (Changzhou Meike Real Estate Development Co., Ltd.*, the “Changzhou Meike”)	393,953,457.02		2,713,226.00	-15,549,697.55	
茂名市茂南区金骁房地产开发有限公司 (Maoming Maonan District Jinxiao Real Estate Development Co., Ltd.*, the “Maoming Jinxiao”)	316,502,644.60			-4,962,519.15	
嘉兴锦峪贸易有限责任公司 (Jiaxing Jinyu Trading Co., Ltd.*, the “Jiaxing Jinyu”)	734,815,709.17			91,602.52	
沈阳新希望新裕置业有限公司 (Shenyang New Hope Xinyu Real Estate Co., Ltd.*, the “Shenyang New Hope Xinyu”)	268,000,760.69			-4,388,729.88	

* The English names are for identification purpose only.

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
杭州凯璨企业管理有限公司 (Hangzhou Kaican Enterprise Management Co., Ltd.*, the “Hangzhou Kaican”)		305,300,000.00		-5,321,244.46	
台州世茂新里程置业有限公司 (Taizhou Shimao Xinlicheng Property Co., Ltd.*, the “Taizhou Shimao Xinlicheng”)		350,000,000.00		-23,343,542.09	
武汉市藩秀房地产开发有限公司 (Wuhan Fanxiu Real Estate Development Co., Ltd.*, the “Wuhan Fanxiu”)		249,500,000.00		-704,400.33	
襄阳金纶房地产开发有限公司 (Xiangyang Jinlun Real Estate Development Co., Ltd.*, the “Xiangyang Jinlun”)		499,600,000.00		-10,653,740.58	
上海梁庞商业管理有限公司 (Shanghai Liangpang Business Management Co., Ltd.*, the “Shanghai Liangpang Management”)		1,225,000,000.00		-153,704.25	
苏州平泰置业有限公司 (Suzhou Pingtai Property Co., Ltd.*, the “Suzhou Pingtai”)		510,000,000.00		-506,269.12	
太仓兴裕置业有限公司 (Taicang Xingyu Property Co., Ltd.*, the “Taicang Xingyu”)		578,974,200.00		-1,409,004.23	
常州金宸房地产开发有限公司 (Changzhou Jincheng Real Estate Development Co., Ltd.*, the “Changzhou Jincheng”)		515,721,443.60		8,015,605.35	
无锡福阳房地产开发有限公司 (Wuxi Fuyang Real Estate Development Co., Ltd.*, the “Wuxi Fuyang”)		450,330,000.00		-1,540,715.55	
徐州美城房地产发展有限公司 (Xuzhou Meicheng Real Estate Development Co., Ltd.*, the “Xuzhou Meicheng”)		272,160,000.00		-12,603,836.41	
贵州和极企业管理有限公司 (Guizhou Heji Enterprise Management Co., Ltd.*, the “Guizhou Heji”)		857,500,000.00		-838,801.11	
Other associates	3,624,690,777.84	2,509,901,845.84	628,665,479.84	-72,202,149.19	
Subtotal	7,557,621,234.88	8,323,987,489.44	631,378,705.84	-152,424,576.15	
Total	13,766,347,597.68	12,379,653,757.08	2,143,559,692.51	1,302,614,103.06	11,211,962.46

(Continued)

* The English names are for identification purpose only.

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Joint ventures						
Chongqing Jinjiahe		292,813,223.47			666,536,342.03	
Guokong Lancheng					250,814,879.14	
Jiashan Shengcheng					549,607,751.37	
Zhengzhou Xinyinke					340,920,679.26	
Jinke Zhixin					874,858,273.03	
Hunan Jinke					751,299,098.28	
Beijing Jinke Jinbi					719,773,721.18	
Hefei Jinjun Meihe					485,877,352.79	
Chongqing Jinmeiyuan					477,611,421.15	
Changzhou Liangyue					435,575,552.06	
Shandong Elysee					248,832,528.95	
Chongqing Jinyuhui					356,653,593.37	
Other joint ventures		67,952,357.50			3,699,335,511.86	
Subtotal		360,765,580.97			9,857,696,704.47	
Associates						
Xinhaihui Property					255,491,041.41	
Chengdu Zhenyu					685,918,613.21	
Shanghai Zhenmoli					899,882,300.56	
Changshu Jincheng					372,012,500.26	
Changzhou Meike					375,690,533.47	
Maoming Jinxiao					311,540,125.45	
Jiaying Jinyu					734,907,311.69	
Shenyang New Hope Xinyu					263,612,030.81	
Hangzhou Kaican					299,978,755.54	
Taizhou Shimao Xinlicheng					326,656,457.91	
Wuhan Fanxiu					248,795,599.67	
Xiangyang Jinlun					488,946,259.42	
Shanghai Liangpang Management					1,224,846,295.75	
Suzhou Pingtai					509,493,730.88	
Taicang Xingyu					577,565,195.77	
Changzhou Jincheng	12,661,600.00				536,398,648.95	
Wuxi Fuyang					448,789,284.45	
Xuzhou Meicheng					259,556,163.59	
Guizhou Heji					856,661,198.89	
Other associates		74,273,931.58			5,359,451,063.07	
Subtotal	12,661,600.00	74,273,931.58			15,036,193,110.75	
Total	12,661,600.00	435,039,512.55			24,893,889,815.22	

13. Other equity instrument investments

(1) Details

Items	Closing balance	Opening balance	Dividend income	Accumulated amount of gains or losses transferred from other comprehensive income to retained earnings	
				Amount	Reasons
渝商投资集团股份有限公司 (USUM Investment Group Co., Ltd.*)	115,456,732.98	115,456,732.98			
渤海银行股份有限公司 (China Bohai Bank Co., Ltd.*)	344,479,910.69				
Subtotal	459,936,643.67	115,456,732.98			

(2) Reasons for equity instrument investments designated as at fair value through other comprehensive income

The Company's equity investments in USUM Investment Group Co., Ltd. and China Bohai Bank Co., Ltd. are non-trading equity instrument investments, therefore, the Company designated them as equity instrument investments at fair value through other comprehensive income.

(3) Other remarks

The investment cost of the Company's shares in China Bohai Bank Co., Ltd. totaled 365,546,744.93 yuan (including transaction cost of 11,634,999.76 yuan) and the closing balance of fair value was 344,479,910.69 yuan. The accumulated amount of changes in fair value through other comprehensive income was -21,066,834.24 yuan, and the net amount included in other comprehensive income after income tax was -15,800,125.68 yuan.

14. Investment property

(1) Details

Items	Buildings and structures	Construction in progress	Total
Opening balance	5,584,226,300.00	2,739,877,637.62	8,324,103,937.62
Movement			
Add: Acquisition			
Transferred in from inventories [Note 1]	125,087,839.05	170,140,094.64	295,227,933.69
Subsequent inputs of construction in progress		205,181,465.86	205,181,465.86
Business combination	3,978,050,150.31	309,842,265.64	4,287,892,415.95
Others transfer-ins [Note 2]	386,466,600.00		386,466,600.00
Less: Disposal	13,375,800.00		13,375,800.00
Other transfer-outs [Note 2]		386,466,600.00	386,466,600.00

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Items	Buildings and structures	Construction in progress	Total
Changes in fair value [Note 3]	60,229,700.00	406,488,487.23	466,718,187.23
Closing balance	10,120,684,789.36	3,445,063,350.99	13,565,748,140.35

Note 1: The difference between the fair value and the carrying amount of the investment property on the conversion date totaled 126,650,992.36 yuan, and the amount after deducting the deferred income tax liabilities was recognized as other comprehensive income.

Note 2: Other transfer-ins and other transfer-outs were mainly due to the completion of investment property in progress in the current period.

Note 3: In the current period, the total gains on changes in fair value due to disposal of investment property of Kaixian Jinke Hotel project amounted to 2,418,178.50 yuan.

Fair value of investment property newly added has been appraised by 重庆华康资产评估土地房地产估价有限公司 (Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd.*), and the Assets Valuation Report on the Fair Value of Investment Property of Jinke Property Group Co., Ltd. (Chong Kang Ping Bao Zi (2020) No. 241) was issued thereon.

(2) Investment property with subsequent measurement at the fair value model

Items	Fair value at the beginning of the period	Increase of investment property	Changes of fair value	Decrease of investment property	Fair value at the end of the period
Fulin Jinke Meilin Square	1,576,902,000.00		16,786,900.00		1,593,688,900.00
Chongqing Jinke Lefang	1,306,120,900.00		22,329,900.00		1,328,450,800.00
Hangzhou Bocui House building No. 12	378,617,800.00	7,848,800.00	614,900.00		387,081,500.00
Liangjiang Health Science and Technology New City	364,240,500.00		3,614,700.00		367,855,200.00
Blue Ocean Pilot commercial apartment and official houses	434,976,900.00	79,152,400.00	65,972,100.00		580,101,400.00
Jinke Tianchenhui apartment and commercial houses	1,874,338,900.00		7,370,800.00	4,846,800.00	1,876,862,900.00
Jinke Binjiang Center business area	440,673,915.97	90,051,100.00	12,428,569.96		543,153,585.93
Jinke Times Center business area	365,963,748.83	79,912,639.05	140,830,309.20		586,706,697.08
Xuzhou Hanwang Tingquan Town		309,842,265.64	191,165,634.36		501,007,900.00
Kunming commercial complex project – shopping mall		2,632,207,315.27			2,632,207,315.27
Cixi commercial complex project – shopping mall		1,358,507,700.90			1,358,507,700.90
Other projects	1,582,269,272.82	230,779,594.64	5,604,373.71	8,529,000.00	1,810,124,241.17
Total	8,324,103,937.62	4,788,301,815.50	466,718,187.23	13,375,800.00	13,565,748,140.35

(Continued)

* The English name is for identification purpose only.

Items	Location	Construction area	Rental income in current period
Fulin Jinke Meilin Square	No.6, Zhongshan Road, Fuling District, Chongqing	94,089.73	9,349,280.75
Chongqing Jinke Lefang	Land No. 028-10, Standard Zone 0, Dazhulin Group	47,318.75	7,584,631.17
Hangzhou Bocui House building No. 12	Building 12#, Land A-R21-12, Canal New City, Hangzhou	12,732.60	
Liangjiang Health Science and Technology New City	No. 8 Yuefu Avenue, Beibei District, Chongqing	49,559.23	
Blue Ocean Pilot commercial apartment and official houses	West of Nobel City, Shengjing Sub-district, Zhangqiu District, Jinan City	81,786.44	2,321,073.39
Jinke Tianchenhui apartment and commercial houses	Yongwang Road, Daxing District, Beijing	44,362.43	8,412,130.84
Jinke Binjiang Center business area	No. 270, Xijiang Avenue, Shengquan Street, Jiangjin District, Chongqing	45,356.68	[Note]
Jinke Times Center business area	No. 1 Longyun Road, Liangjiang New District, Chongqing	27,460.22	[Note]
Xuzhou Hanwang Tingquan Town	Hanhe Road, Tongshan Sub-district, Xuzhou, Jiangsu Province	78,564.30	[Note]
Kunming commercial complex project – shopping mall	Hongxing Yiju Plaza at the junction of Guangfu Road and Luguang Road	155,547.11	49,400,727.81
Cixi commercial complex project – shopping mall	No. 1888, East Road of North Third Ring, Baisha Road Sub-district	111,006.54	18,642,181.74
Other projects		215,690.61	18,420,978.80
Total		963,474.64	114,131,004.50

Note: The projects are not completed.

(3) Investment property with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Xicheng Courtyard business area	51,966,700.00	In processing
Jinke Guantianxia business area	128,444,800.00	In processing
Liangjiang Health Science and Technology New City	43,584,872.65	In processing
Jinke Renli Watery Region	172,914,194.64	In processing
Subtotal	396,910,567.29	

(4) Other remarks

Fair value of the Company's self-held investment property at the end of the period has been appraised by Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd., and assets valuation reports numbered Chong Kang Ping Bao Zi (2021) 103, Chong Kang Ping Bao Zi (2021) 104, and Chong Kang Ping Bao Zi (2021) 105 were issued thereon.

15. Fixed assets

(1) Details

Items	Closing balance	Opening balance
Fixed assets	4,078,027,697.48	4,378,064,963.38

Items	Closing balance	Opening balance
Disposal of fixed assets	158,797.56	
Total	4,078,186,495.04	4,378,064,963.38

(2) Fixed assets

1) Details

Items	Buildings and structures	Machinery	Electronic equipment	Transport facilities	Household appliance
Cost					
Opening balance	1,816,651,832.71	42,095,547.88	176,205,669.88	103,385,284.04	42,895,645.09
Increase	15,096,567.90	7,872,403.72	14,002,753.10	6,975,926.37	3,241,739.49
1) Acquisition	6,623,246.18	7,838,215.34	13,074,766.10	5,830,435.11	2,417,123.02
2) Transferred in from construction in progress					
3) Business combination		34,188.38	927,987.00	1,145,491.26	824,616.47
4) Transferred in from inventories	8,473,321.72				
Decrease	56,018,363.14	774,558.35	7,182,520.36	14,214,941.63	3,149,777.04
1) Disposal/Scrapping	56,018,363.14	774,558.35	5,967,058.18	13,878,311.42	2,775,129.57
2) Loss of control			1,215,462.18	336,630.21	374,647.47
3) Others					
Closing balance	1,775,730,037.47	49,193,393.25	183,025,902.62	96,146,268.78	42,987,607.54
Accumulated depreciation					
Opening balance	173,342,574.43	17,457,792.99	97,474,543.51	57,922,727.52	30,078,701.60
Increase	70,811,815.11	7,256,703.53	24,863,481.09	13,417,220.01	5,512,456.37
1) Accrual	70,811,815.11	7,242,974.35	24,280,383.75	12,893,861.80	5,047,285.59
2) Business combination		13,729.18	583,097.34	523,358.21	465,170.78
Decrease	1,250,912.82	533,621.31	4,863,047.79	10,711,810.88	1,987,382.42
1) Disposal/Scrapping	1,250,912.82	533,621.31	4,594,728.19	10,634,448.87	1,882,277.92
2) Loss of Control			268,319.60	77,362.01	105,104.50
Closing balance	242,903,476.72	24,180,875.21	117,474,976.81	60,628,136.65	33,603,775.55
Carrying amount					
Closing balance	1,532,826,560.75	25,012,518.04	65,550,925.81	35,518,132.13	9,383,831.99
Opening balance	1,643,309,258.28	24,637,754.89	78,731,126.37	45,462,556.52	12,816,943.49

(Continued)

Items	Decoration of buildings and structures	Power generation and related equipment	Other equipment	Total
Cost				
Opening balance	348,965,826.71	2,846,353,881.77	62,452,373.39	5,439,006,061.47
Increase			11,052,063.27	58,241,453.85
1) Acquisition			2,169,760.78	37,953,546.53
2) Transferred in from construction in progress			8,882,302.49	8,882,302.49
3) Business combination				2,932,283.11
4) Transferred in from inventories				8,473,321.72
Decrease		1,962,556.42	6,974,524.35	90,277,241.29

Items	Decoration of buildings and structures	Power generation and related equipment	Other equipment	Total
1) Disposal/Scrapping			6,958,628.47	86,372,049.13
2) Loss of control			15,895.88	1,942,635.74
3) Others		1,962,556.42		1,962,556.42
Closing balance	348,965,826.71	2,844,391,325.35	66,529,912.31	5,406,970,274.03
Accumulated depreciation				
Opening balance	287,271,963.49	353,727,970.32	43,664,824.23	1,060,941,098.09
Increase	39,185,941.95	120,064,620.21	8,066,800.24	289,179,038.51
1) Accrual	39,185,941.95	120,064,620.21	8,066,800.24	287,593,683.00
2) Business combination				1,585,355.51
Decrease			1,830,784.83	21,177,560.05
1) Disposal/Scrapping			1,827,050.35	20,723,039.46
2) Loss of Control			3,734.48	454,520.59
Closing balance	326,457,905.44	473,792,590.53	49,900,839.64	1,328,942,576.55
Carrying amount				
Closing balance	22,507,921.27	2,370,598,734.82	16,629,072.67	4,078,027,697.48
Opening balance	61,693,863.22	2,492,625,911.45	18,787,549.16	4,378,064,963.38

2) Fixed assets leased under finance leases

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Power generation and related equipment	806,587,687.16	159,879,268.41		646,708,418.75
Subtotal	806,587,687.16	159,879,268.41		646,708,418.75

3) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	226,995,467.18	In processing
Subtotal	226,995,467.18	

(3) Disposal of fixed assets

Items	Closing balance	Opening balance
Other equipment	94,711.04	
Household appliance	2,425.92	
Electronic equipment	56,436.34	
Transport facilities	5,224.26	
Subtotal	158,797.56	

16. Construction in progress

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Piecemeal	31,725,023.06		31,725,023.06	247,179.49		247,179.49

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
projects						
Total	31,725,023.06		31,725,023.06	247,179.49		247,179.49

17. Intangible assets

(1) Details

Items	Land use right	Software	Trademark	Total
Cost				
Opening balance	58,423,559.51	59,202,990.14	11,510,990.73	129,137,540.38
Increase		13,007,803.56	131,369.81	13,139,173.37
1) Acquisition		12,648,702.20		12,648,702.20
2) Business combination		359,101.36	131,369.81	490,471.17
Decrease		576,116.71		576,116.71
1) Disposal		519,571.33		519,571.33
2) Loss of control		56,545.38		56,545.38
Closing balance	58,423,559.51	71,634,676.99	11,642,360.54	141,700,597.04
Accumulated amortization				
Opening balance	7,304,593.31	40,867,362.02	5,201,928.96	53,373,884.29
Increase	1,481,273.56	8,730,554.75	3,762,562.83	13,974,391.14
1) Accrual	1,481,273.56	8,580,715.87	3,661,949.17	13,723,938.60
2) Business combination		149,838.88	100,613.66	250,452.54
Decrease		388,747.71		388,747.71
1) Disposal		348,607.33		348,607.33
2) Loss of control		40,140.38		40,140.38
Closing balance	8,785,866.87	49,209,169.06	8,964,491.79	66,959,527.72
Carrying amount				
Closing balance	49,637,692.64	22,425,507.93	2,677,868.75	74,741,069.32
Opening balance	51,118,966.20	18,335,628.12	6,309,061.77	75,763,656.09

(2) Land use right with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
The Jingxia No. 2 C Area Wind Farm Project of 200 MW	13,329,738.55	In processing
Subtotal	13,329,738.55	

18. Goodwill

(1) Cost

Investee or events resulting in goodwill	Opening balance	Due to business combination in current period	Decrease		Closing balance
			Disposal	Others	
重庆庆恒商贸有限公司 (Chongqing Qingheng Trading Co., Ltd.*)	98,151.81				98,151.81
Qingke Trading	30,000.00				30,000.00
重庆新起点装饰工程有限公司 (Chongqing New Start Decoration Engineering Co., Ltd.*, the "New Start Decoration")	859,680.06				859,680.06
重庆展弘园林有限公司 (Chongqing Zhanhong Garden Co., Ltd.*)	2,525,698.65				2,525,698.65
Chongqing Yuanhao Decoration Engineering Co., Ltd.	113,488.03				113,488.03
Xinjiang Huaran	483,776,339.06				483,776,339.06
德宏华江物业有限公司 (Dehong Huajiang Property Co., Ltd.*)	418.20				418.20
重庆市顺盛诚勋物业管理有限公司 (Chongqing Shunsheng Chengxun Property Management Co., Ltd.*)	678,342.72				678,342.72
Total	488,082,118.53				488,082,118.53

(2) Provision for impairment

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Disposal	Others	
Chongqing Qingheng Trading Co., Ltd.	98,151.81					98,151.81
Qingke Trading	30,000.00					30,000.00
Subtotal	128,151.81					128,151.81

(3) Impairment test process

New energy power generation asset group portfolios of Xinjiang Huaran:

1) Related information of asset group or asset group portfolios which include goodwill

Composition of asset group or asset group portfolios	New energy power generation assets and receivables arising from asset operations
Carrying amount of asset group or asset group portfolios	1,024,094,000 yuan

* The English names are for identification purpose only.

Carrying amount of goodwill allocated to the asset group or asset group portfolios and the allocation method	Allocated by carrying amount
Carrying amount of asset group or asset group portfolios that include goodwill	1,525,364,700 yuan
Whether asset group or asset group portfolios are consistent with those at acquisition date or goodwill impairment test in previous years	Yes

2) Impairment test process, method, and conclusion of goodwill impairment loss

The recoverable amount of goodwill is computed based on the present value of estimated future cash flows, which is based on the estimated cash flows for 5 years approved by the Company. The discount rate used in estimating the annual cash flows is 10.38% (2019: 10.29%), and the cash flows subsequent to the estimated period are inferred by a growth rate of 2%, which is in line with the development trend of the wind power industry, such as overall planning, wind power consumption, and abandonment rate control.

Other key data used in the impairment test include: the estimated selling price, sales volume, cost of product, and other relevant expenses. Such key data are determined by the Company based on its experience and its prediction towards market development. The discount rate used by the Company is the pre-tax interest rate that reveals the time value of currency under the current market situation and risks of certain assets portfolio.

Pursuant to the Evaluation Report on the Present Value of Estimated Future Cash Flows of the Goodwill Asset Group of Jinke Property Group Co., Ltd. for Financial Report Purpose (Chong Kang Ping Bao Zi (2021) No. 131) issued by Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd., the recoverable amount of asset group or asset group portfolios that include goodwill is higher than its carrying amount, which suggests that the Company's goodwill is not impaired.

The Company and the assessment agency estimate the recoverable amount of the new energy power generation asset group, and the goodwill associated with the asset group is not impaired.

19. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decreases [Note 2]	Closing balance
Decoration fees [Note 1]	92,532,518.90	41,938,143.08	57,521,305.09	1,319,687.38	75,629,669.51
Total	92,532,518.90	41,938,143.08	57,521,305.09	1,319,687.38	75,629,669.51

Note 1: It mainly referred to decoration cost of the rental offices of the Company and its subsidiaries.

Note 2: It was mainly due to exclusion from the consolidation scope.

20. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Items	Closing balance		Opening balance [Note]	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	447,932,708.71	100,271,921.84	225,872,898.36	48,499,988.15
Deductible losses	4,574,562,824.36	1,100,943,146.32	3,555,470,559.44	866,088,529.71
Unrealized profit from internal transactions	638,257,202.19	159,564,300.55	645,546,205.96	161,386,551.49
Others	3,420,076,739.43	744,138,530.80	2,599,902,886.21	546,754,053.24
Total	9,080,829,474.69	2,104,917,899.51	7,026,792,549.97	1,622,729,122.59

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance [Note]	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Investment property at fair value	6,804,104,171.26	1,676,122,626.59	3,753,198,697.57	910,273,409.66
Cost to obtain a contract	2,700,371,505.81	613,501,680.91	1,044,282,264.49	234,559,252.63
Total	9,504,475,677.07	2,289,624,307.50	4,797,480,962.06	1,144,832,662.29

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(3) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Provision for assets impairment	1,263,128,361.47	1,256,843,734.51
Deductible losses	2,137,012,262.16	2,026,670,818.79
Provision for impairment of goodwill	128,151.81	128,151.81
Others	2,268,341,753.61	1,816,275,546.55
Total	5,668,610,529.05	5,099,918,251.66

(4) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
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Maturity years	Closing balance	Opening balance	Remarks
Year 2020		115,964,221.42	
Year 2021	255,099,546.82	264,363,167.76	
Year 2022	187,177,621.74	407,452,517.25	
Year 2023	515,920,353.51	624,025,353.30	
Year 2024	616,260,389.92	614,865,559.06	
Year 2025	562,554,350.17		
Total	2,137,012,262.16	2,026,670,818.79	

(5) Other remarks

The item “Others” in the detailed list of deferred income tax assets before offset and unrecognized deferred income tax assets mainly includes temporary difference items such as deductible cost, expenses, unpaid taxes, deferred income, etc.

21. Other non-current assets

(1) Details

Items	Closing balance	Opening balance
Prepayments for equity acquisition	3,043,642,542.31	1,442,119,127.29
Others	5,000,000.00	
Total	3,048,642,542.31	1,442,119,127.29

(2) Significant prepayments for equity acquisition at the end of the period

1) Pursuant to the “Equity Transfer Agreement” entered into between the Company and 安邦保险集团股份有限公司 (Anbang Insurance Group Co., Ltd.*) and 安邦财产保险股份有限公司 (Anbang Property & Casualty Insurance Co., Ltd.*), the Company intended to acquire 9.90% equity of 和谐健康保险股份有限公司 (Hexie Health Insurance Co., Ltd.*, the “Hexie Health”) at the consideration of 2,257,200,000 yuan. The China Banking and Insurance Regulatory Commission replied to the change of shareholders of Hexie Health on March 19, 2020 (Yin Bao Jian Fu [2020] No. 129). The Company had made the payment of 2,257,200,000 yuan according to the agreement. As of the reporting date, the registration of changes at administration for industry and commerce and relevant transfer were still in processing.

2) Pursuant to the “Equity Transfer Agreement” entered into between 重庆爱之海商业管理有限公司 (Chongqing Aizhihai Business Management Co., Ltd.*, the “Chongqing Aizhihai”), 重庆诺奥商业管理有限公司 (Chongqing Nuo’ao Business Management Co., Ltd.*, the “Chongqing Nuo’ao”), 广东弘茂企业管理咨询有限公司 (Guangdong Hongmao Enterprise Management Consulting Co., Ltd.*, the “Guangdong Hongmao”), and 上海红星美凯龙企业经营管理有限公

* The English names are for identification purpose only.

司 (Shanghai Red Star Mecalline Enterprise Operation and Management Co., Ltd.*, the “Shanghai Red Star Mecalline”), Chongqing Nuo’ao intended to acquire 100% equity of 上海睿茜企业管理公司 (Shanghai Ruixi Enterprise Management Co., Ltd.*, the “Shanghai Ruixi”), including 35% equity of 重庆润田房地产开发有限公司 (Chongqing Runtian Real Estate Development Co., Ltd.*, the “Chongqing Runtian”) held by Shanghai Ruixi; Chongqing Aizhihai intended to acquire 100% equity of 上海钦保企业管理有限公司 (Shanghai Qinbao Enterprise Management Co., Ltd.*, the “Shanghai Qinbao”), including 35% equity of 重庆力帆红星商业管理有限公司 (Chongqing Lifan Red Star Business Management Co., Ltd.*) held by Shanghai Qinbao. As of the reporting date, a total payment of 614.90 million yuan had been paid for the equity acquisition, and the transfer matters related to equity acquisition of Chongqing Runtian and Chongqing Lifan Red Star Business Management Co., Ltd. were still in processing.

22. Short-term borrowings

Items	Closing balance	Opening balance
Credit borrowings	689,975,000.00	1,035,521.17
Guaranteed borrowings	134,551,323.14	600,000,000.00
Pledged borrowings	347,500,000.00	206,900,000.00
Mortgaged borrowings	1,025,000,000.00	
Mortgaged and guaranteed borrowings	2,135,040,000.00	1,771,980,000.00
Pledged and guaranteed borrowings	47,941,000.00	
Mortgaged and pledged borrowings	3,546,198,472.90	
Mortgaged, pledged, and guaranteed borrowings	2,353,400,000.00	469,000,000.00
Accrued interest on borrowings	187,667,857.79	11,338,456.10
Total	10,467,273,653.83	3,060,253,977.27

23. Notes payable

Items	Closing balance	Opening balance
Bank acceptance		217,711,128.98
Trade acceptance	5,695,224,051.11	7,284,616,553.08
Total	5,695,224,051.11	7,502,327,682.06

24. Accounts payable

Items	Closing balance	Opening balance
Project funds payable	24,838,054,456.84	20,961,794,961.18
Materials and equipment payable	3,730,218,680.27	2,586,705,645.94

* The English names are for identification purpose only.

Items	Closing balance	Opening balance
Total	28,568,273,137.11	23,548,500,607.12

25. Advances received

Items	Closing balance	Opening balance [Note]
Rents	11,693,816.63	825,800.75
Total	11,693,816.63	825,800.75

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

26. Contract liabilities

(1) Details

Items	Closing balance	Opening balance [Note]
Advanced receipt for houses	134,146,115,675.77	109,519,578,199.31
Others	486,969,845.98	438,216,720.69
Total	134,633,085,521.75	109,957,794,920.00

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Reasons for significant changes in the carrying amount of contract liabilities

Items	Amount of changes	Reasons for changes
Guangzhou Jinke Bocui Pearl	1,406,134,555.25	Pre-sale
Guangzhou Jinke Jimei Lingxiu	1,030,963,726.32	Pre-sale
Hangzhou Jinke Taidu	3,894,852,949.48	Pre-sale
Hangzhou Qiantang Bocui	2,430,633,763.18	Pre-sale
Jinan Jinke World City	1,215,910,485.72	Pre-sale
Luoyang Jinke Lyudu Tianchen	1,723,116,597.93	Pre-sale
Ningbo Jiuyue Neighbourhood	1,593,111,617.03	Pre-sale
Shaoxing Jinke Hangyue Mansion	1,554,128,805.31	Pre-sale
Tianjin Jimei Yongyang	1,444,098,789.33	Pre-sale
Wenzhou Jimei Huating	1,077,545,570.50	Pre-sale
Xi'an Bocui Tianchen	2,960,010,059.96	Pre-sale
Suqian Metropolitan Light Garden	1,883,619,180.69	Pre-sale
Yixing Jinke Guili	1,525,572,318.44	Pre-sale
Zhangjiagang Jinli Garden	1,002,195,364.78	Pre-sale

Items	Amount of changes	Reasons for changes
Chengdu Jinke Bocui Tianchen	-1,615,765,684.71	Revenue carried forward
Qingdao Jinke Sunshine Meizhen	-1,259,779,198.49	Revenue carried forward
Wuxi Lihu No. 1 Phase III	-2,064,065,663.99	Revenue carried forward
Xianyang Jinke World City	-1,838,922,598.75	Revenue carried forward
Chongqing Bocui Yangtze River	-1,015,999,821.56	Revenue carried forward
Chongqing Jinke Jimei Sunshine	-1,945,663,734.93	Revenue carried forward
Zibo Jinke Jimei Jiayue	-1,173,794,654.30	Revenue carried forward
Subtotal	13,827,902,427.19	

(3) Other remarks

1) Details on advanced receipt for houses in contract liabilities:

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Wuhan Jinke City	7,692,748,425.98	7,680,633,947.48	March 2021	83.36%
Hangzhou Jinke Taidu	5,308,152,946.95	1,413,299,997.47	December 2021	82.19%
Luoyang Jinke Lyudu Tianchen	3,169,755,358.26	1,446,638,760.33	December 2021	99.49%
Xi'an Bocui Tianchen	3,080,257,321.44	120,247,261.48	January 2022	93.87%
Hangzhou Qiantang Bocui	2,990,650,420.93	560,016,657.75	March 2022	85.94%
Suzhou Qiantang Pingjiang	2,964,021,064.98	2,249,919,761.79	April 2021	91.93%
Jinan Jinke World City	2,593,564,293.55	1,377,653,807.83	April 2021	97.69%
Suzhou Four Seasons Spring	2,322,501,285.31	1,494,417,188.42	September 2021	100.00%
Suqian Metropolitan Light Garden	2,072,766,574.27	189,147,393.58	April 2022	86.97%
Tianjin Jimei Yongyang	2,045,297,548.27	601,198,758.94	September 2021	94.53%
Hangzhou Bocui Mansion	1,983,940,802.75	1,459,679,483.10	February 2021	98.00%
Hefei Tianchen Garden	1,956,075,374.33	2,201,443,391.46	August 2021	80.98%
Shaoxing Jinke Hangyue Mansion	1,865,777,851.17	311,649,045.86	April 2022	74.76%
Shanxi Bocui Tianchen	1,772,115,959.70	1,137,722,181.59	June 2021	78.48%
Tianjin Jinke Bocui Bay	1,766,388,161.65	1,532,527,647.78	September 2021	94.53%
Tianjin Guanlan	1,746,575,964.91	1,224,846,422.59	July 2021	97.73%
Guangzhou Jinke Bocui Pearl	1,714,938,209.83	308,803,654.58	July 2021	84.94%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Ningbo Jiuyue Neighborhood	1,714,900,014.08	121,788,397.05	October 2021	93.61%
Chongqing Beibei Jimei Jiayue M01	1,685,727,664.83	2,132,079,205.41	March 2021	98.65%
Yixing Jinke Guili	1,615,953,378.11	90,381,059.67	December 2021	99.72%
Kunming Jimei Yuxi Star, Tianxi	1,423,946,175.06	813,550,257.43	March 2021	84.40%
Shenyang Jimei Tiancheng	1,416,586,815.27	1,312,505,983.44	December 2021	92.53%
Nanyang Jinke Jimei Qingzhou	1,315,327,316.76	1,057,258,461.39	December 2021	99.99%
Wenzhou Jimei Huating	1,287,720,930.25	210,175,359.75	August 2021	90.03%
Guangzhou Jinke Jimei Lingxiu	1,245,973,380.62	215,009,654.30	August 2022	74.64%
Zhangjiagang Jinli Garden	1,182,507,612.49	180,312,247.71	May 2022	66.51%
Zibo Jinke Jimei Jiayi	1,164,285,772.65	282,554,367.72	March 2022	69.90%
Tai'an Peach Blossom	1,075,320,502.04	778,074,724.64	August 2021	96.10%
Nanning Jinke Guantianxia	1,074,434,278.94	1,949,208,105.37	April 2021	84.59%
Chongqing Jinke Times Center	1,060,784,797.94	552,312,886.66	July 2021	98.06%
Foshan Jinke Bocui Tianxai	1,056,340,286.49	420,958,606.75	March 2021	63.02%
Xuchang Luming Dijing Project	1,054,089,018.57	96,639,219.90	January 2023	92.87%
Nanjing Bocui Garden	1,034,741,923.16		October 2020	100.00%
Chongqing Rongchang Liyue Orient	1,011,733,126.02	1,360,591,612.65	March 2022	84.00%
Tianjin Jinke Tianhu (South Garden)	987,817,654.44	369,022,738.74	April 2021	56.41%
Nanjing Jinke Guantianxia Mountain Villa	970,075,121.20	94,536,769.33	December 2022	62.00%
Xianyang Jinke World City	946,796,804.29	2,785,719,403.04	December 2021	99.13%
Yibin Jimei Tianchen	893,992,978.82	426,250,524.04	March 2021	88.34%
Wuxi Fortune Commercial Plaza	874,764,576.37	374,123,781.26	March 2022	96.00%
Wuxi Lihu No.1 Phase III	849,045,614.12	2,913,111,278.11	June 2021	98.62%
Xuchang Furong Tianchen	848,001,813.53	289,934,918.59	March 2021	99.75%
Yunyang Jimei Jiangyue Phase I	834,607,275.37	404,412,873.75	October 2021	99.00%
Jinan Oriental Bocui	814,776,774.13	262,531,598.26	December 2021	61.00%
Liaocheng Jinke Jimei Yipin	786,742,860.94	81,897,841.70	December 2022	64.00%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Foshan Jinke Meiwan Garden	772,940,562.15	306,131,280.63	May 2021	64.80%
Chongqing Tangyue Mansion	769,251,841.36	186,268,908.40	August 2022	81.00%
Chongqing Xiyong Tianchen Phase I	747,963,230.20	1,096,095,851.86	April 2021	74.96%
Changshou Jinke World City	711,763,819.34	614,931,190.67	July 2021	89.67%
Nanchang Jinke Jimei Jiulong Lake	699,605,345.71	536,881,550.25	September 2021	88.15%
Handan Jinke Country Garden Emerald Lanessan	681,758,694.13	237,316,737.62	September 2022	83.33%
Shijiazhuang Jinke Jimei County	681,136,993.79	242,904,323.86	August 2021	78.73%
Foshan Jinke Tianchenwan Mansion	674,580,137.72	418,579,798.12	June 2021	89.25%
Yueyang Jimei Orient	672,945,627.80	268,787,340.39	May 2021	87.94%
Chongqing Tongliang Bocui Yundi	643,703,887.72	251,166,829.36	November 2021	93.00%
Chongqing Jinke Meichen	613,981,466.85	173,141,863.95	March 2021	96.00%
Jinan Jimei Tianyue	609,162,304.39	47,767,763.63	June 2022	48.67%
Yantai Bocui Mountain	608,957,095.49	355,118,256.57	March 2021	56.89%
Hanlin Tianyue	606,219,531.90		August 2023	88.87%
Chongqing Kaixian Jimei Riverside Area A	602,242,584.41	127,526,163.49	June 2021	82.00%
Chongqing Langyue Jiangshan	599,334,810.09	1,415,938,827.56	July 2021	93.00%
Zibo Jinke Jimei Tianchen	597,686,972.86	441,176,631.24	April 2021	89.38%
Yunnan Jinke Jimei Tianyue	587,435,967.93		December 2021	68.85%
Chongqing Tongliang Jimei Orient Phase I	586,970,039.83	1,028,977,326.21	January 2021	95.00%
Neijiang Jinke Emerald Park	586,152,723.48	242,528,348.14	April 2021	79.52%
Jinke Central Plains	579,526,516.28		May 2022	45.69%
Guigang Boyuan Mansion	572,226,680.84	93,521,952.91	April 2022	36.20%
Chongqing Bocui Mountain Foot	563,296,571.25	211,335,337.92	June 2021	70.32%
Chongqing Kaixian Yongjingtai	557,497,444.63	927,445,026.07	July 2021	93.43%
Yongzhou Taoli County	545,209,054.76	116,351,213.76	June 2021	68.44%
Guizhou Renhuai Liyue Orient (Zone B)	536,328,208.55	215,206,921.02	July 2021	99.82%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Foshan Shanyi Shuifu Garden	530,598,942.42	54,142,726.16	March 2021	52.67%
Yuxi Taoli County	529,380,218.04	153,742,293.64	April 2021	84.39%
Yaojiang Bay	516,363,862.01	25,679,758.74	October 2021	59.93%
Jinke Liyue Orient (Zone A)	510,611,214.83		March 2022	96.94%
Guang'an Jinke Jimei Tianchen	509,256,622.35	608,110,366.30	May 2021	94.87%
Jinke Bocui Orient	506,880,778.65		July 2022	52.71%
Xianyang Jinke Jimei Jiayue	501,168,672.96		December 2022	61.60%
Chenzhou Jinke County	490,400,408.24		May 2022	81.69%
Yulin Jinke Jimei Tianyue	475,105,210.98	111,855,552.52	June 2021	93.70%
Jiujiang Jinke Midea Huafu	473,061,306.71	99,257,135.40	June 2021	74.80%
Nanyang Taoli County	469,689,292.25		November 2022	67.20%
Kunming Jimei Yuxi Xingtai	467,473,981.18		June 2022	61.63%
Chongqing Nanchuan Jinke World City	457,897,828.73	90,348,350.51	January 2021	86.67%
Chongqing Tianyi Mansion	450,138,067.09	805,631,835.88	April 2021	90.83%
Nanjing Shanhe Chenyuan	435,084,534.03		December 2022	62.00%
Tianjin Jimei Tiancheng	433,572,825.17	84,190,290.83	September 2021	17.00%
Jingdezhen Jinke Huadi Ziyuan	425,929,243.01	40,502,805.95	May 2021	68.85%
Pinghu Haiyue Fenghua	420,375,662.37	66,815,895.35	May 2021	67.70%
Guiyang Zhongtai Tianjing	417,584,261.28	54,876,226.54	September 2021	67.72%
Hunan Jinke Jimei County	415,600,793.26	78,435,996.27	June 2021	82.85%
Nanning Tianlai City	411,183,100.02		November 2022	80.42%
Shehong Jimei Jiayue	409,856,418.20	138,777,691.03	July 2021	91.00%
Ziyang Jimei Tianyue	409,718,367.51	264,963,389.01	April 2021	61.80%
Yiyang Jinke Jimei Orient	402,090,616.16	59,938,321.63	June 2021	77.30%
Zaoyang Jinke Guantianxia	400,800,985.10	142,205,891.05	May 2021	94.02%
Kunming Jimei Yuxi Tianchen	398,158,408.47		October 2022	49.88%
Nanchang Jinke Jimei Sunshine	393,958,320.35	1,122,502,541.45	March 2021	87.73%
Chongqing Dianjiang Jimei Poeny Lake	392,536,468.19	534,907,232.20	June 2021	93.00%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Neijaing Jimei Star	390,169,746.90	44,831,555.81	September 2021	65.35%
Chongqing Tongliang Jimei Orient Phase II	389,439,777.94	101,493,225.28	March 2021	62.00%
Taixing Jinke Jimei Yayuan	384,957,385.65	40,404,694.02	June 2021	53.30%
Shangqiu Jinke Tianhu Bay Project	384,469,476.11	18,513,112.50	December 2021	98.95%
Jinke Beimeng Hushan No.1	383,804,084.84	179,863,218.13	July 2021	81.00%
Suining Jimei Jiayue	381,480,415.53	375,294,766.62	March 2021	66.54%
Nanchong Jinke Jimei Tianyue	380,745,823.87	108,688,622.30	April 2021	70.00%
Changsha Jinke Meiyuan	372,869,572.82	45,443,766.72	April 2021	87.95%
Pu'er Longyue Mansion	361,092,640.82	45,159,413.67	June 2021	63.82%
Jinke Jimei View	360,973,334.62	33,946,378.02	September 2021	89.38%
Four Seasons Spring	357,896,207.58		July 2022	53.50%
Zhuzhou Jimei Yajun	354,416,654.35	370,037,205.91	April 2021	93.63%
Lezhi Jinke Jimei Orient	350,968,927.73	107,280,599.49	December 2021	71.00%
Liuzhou Jinke Jimei Tianyue	348,793,049.35	463,918,587.37	April 2021	66.60%
Zunyi Jinke Jimei Orient (Phase I)	344,380,161.98	252,878,695.18	October 2021	77.00%
Luzhou Jinnan Tianchen	339,504,756.66	75,094,460.75	December 2021	43.86%
Xingyang Jinke Jimei Residence	331,905,491.09	75,133,422.93	August 2021	72.76%
Chongqing Fuling Jinke Bocui Mansion Project	326,796,061.64	557,420,989.12	June 2021	77.48%
Ruijin Jinke Highway Jimei Tianchen	319,724,137.11	57,704,158.22	July 2021	55.29%
Dazhou Jimei Tianchen	315,154,736.28		March 2022	61.00%
Zhenjiang Jinke Xiangsheng Yueyuan	308,153,097.35	27,586,309.92	September 2021	51.12%
Nanning Jinke Bocui Tianchen	299,881,050.28	2,564,872.57	November 2021	35.48%
Chengdu Jinke Bocui Mountain	296,319,520.00		October 2022	22.80%
Chongqing Jinke Langting Yazhu	290,885,803.92	517,463,569.46	December 2021	91.00%
Fuling Yangtze River Star	287,824,879.17	97,924,293.46	September 2021	66.08%
Shandong Qingzhou Jimei Jiayue	287,639,811.14	33,900,184.16	March 2022	64.99%
Zunyi Jinke Jimei Hanlin Academy	282,095,280.65	428,488,493.13	April 2021	95.98%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Chongqing Wanzhou Jinke Guanlan 2	281,920,621.92	71,608,970.60	May 2021	78.07%
Chongqing Dazu Jimei Tianchen	281,226,554.46	112,281,172.65	April 2021	58.19%
Guiyang Dongfang Tianyue (Phase I)	279,781,086.65	93,831,785.80	February 2021	80.52%
Chongqing Kaixian Jinke Zhongliang Jiangshanyin	279,085,247.72	108,601,716.51	March 2021	64.00%
Jinan Lanshan Mansion	278,063,805.83	709,429,134.40	February 2021	90.24%
Guilin Jimei Orient Phase I	278,030,359.42	98,863,874.92	September 2021	81.36%
Yuxi Yuhe Mansion	274,433,005.82	95,981,753.70	August 2021	93.84%
Fengtai Neighborhood	274,069,676.04		November 2021	76.00%
Zunyi Jinke Huichuan City	273,084,583.94	31,578,509.06	October 2021	63.84%
Fuyang Yifang City	271,160,160.28	64,537,808.37	December 2021	40.13%
Star Ocean	270,980,922.73		July 2021	71.00%
Qingdao Jinke Pinglan Mansion	259,231,370.65	57,199,701.41	December 2021	60.46%
Chongqing Jinke Nanshan Kanshanyun	253,352,467.87		April 2022	76.00%
Chongqing Jinke City	249,857,527.92	846,994,492.35	January 2022	95.87%
Yancheng Jimei Wanghu Mansion	248,775,954.92		January 2022	48.96%
Guang'an Jinke Jimei Tianchen Phase III	242,647,388.53		February 2022	58.99%
Luzhou Jinke Bocui Bay	237,966,232.55	1,149,778,919.79	December 2020	79.42%
Rongchang Meili Garden	237,538,508.35	98,861,102.74	June 2021	74.07%
Tianjin Quyang Mansion	231,930,470.22	162,583,526.64	July 2021	75.74%
Chongqing Qijiang Yujing Jiangwan	230,495,292.07	456,754,650.05	March 2022	54.00%
Jinke Jimei Academy	223,234,754.33		June 2022	90.76%
Yunyang Jimei Jiangyue Phase II	216,106,127.64		February 2022	31.00%
Fuyang Jimei Sunshine	212,730,840.47	47,517,926.12	December 2021	54.76%
Jinke Hengxin Jimei Tianchen	211,010,321.37		August 2022	49.04%
Zunyi Jinke Jimei Orient (Phase II)	209,301,181.71	4,917,784.81	November 2021	42.58%
Pidu Jimei Tianchen	209,088,207.02	33,369,558.74	August 2021	58.17%
Nanchong Jimei Jiayue	206,268,641.13	51,865,151.36	March 2021	66.29%
Ya'an Jinke Jimei Jiangchen	195,669,041.91	58,467,497.98	April 2021	73.97%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Pinghu Jiayue Mingdu	195,501,922.03		March 2022	59.59%
Hefei Duhui Grand View	193,242,022.79	361,250,654.48	March 2021	53.00%
Shenyang City of Star	191,057,128.12		October 2022	79.00%
Others [Note 3]	11,082,055,810.19	41,765,496,929.31		
Total	134,146,115,675.77	109,519,578,199.31		

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: The presale ratio of the project is the ratio of the cumulative area sold as of the balance sheet date to the area of the presale certificate.

Note 3: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

2) Closing balance of contract liabilities with age over 1 year was 38,008,186,838.83 yuan, which was mainly the unsettled payment for pre-sale houses.

3) Contract liabilities mainly refer to house payments collected by the Company according to the real estate sales contract. The house sales payment would be collected ranging from 20% to 100% of the contract consideration when the contract is signed. Revenue related to the contract will be recognized after the Company fulfills its performance obligations.

27. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	676,006,035.86	6,379,036,726.98	6,212,558,338.03	842,484,424.81
Post-employment benefits - defined contribution plan	1,029,856.59	73,851,529.60	73,072,279.89	1,809,106.30
Total	677,035,892.45	6,452,888,256.58	6,285,630,617.92	844,293,531.11

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	614,701,796.76	5,785,903,385.30	5,618,303,595.11	782,301,586.95
Employee welfare fund		57,790,639.92	57,790,639.92	
Social insurance premium	385,447.47	137,655,608.02	137,309,885.32	731,170.17

Items	Opening balance	Increase	Decrease	Closing balance
Including: Medicare premium	354,704.99	130,642,671.05	130,372,215.53	625,160.51
Occupational injuries premium	24,328.65	1,931,471.02	1,913,941.50	41,858.17
Maternity premium	6,413.83	5,081,465.95	5,023,728.29	64,151.49
Housing provident fund	786,862.62	199,058,497.20	199,395,295.66	450,064.16
Trade union fund and employee education fund	60,131,929.01	184,071,793.52	185,202,119.00	59,001,603.53
Termination benefits		14,556,803.02	14,556,803.02	
Subtotal	676,006,035.86	6,379,036,726.98	6,212,558,338.03	842,484,424.81

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	1,004,554.77	72,643,561.46	71,891,133.13	1,756,983.10
Unemployment insurance premium	25,301.82	1,207,968.14	1,181,146.76	52,123.20
Subtotal	1,029,856.59	73,851,529.60	73,072,279.89	1,809,106.30

28. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	1,170,136,046.67	876,313,067.92
Urban maintenance and construction tax	77,946,658.96	57,993,297.90
Education surcharge	33,646,969.86	26,148,668.47
Local education surcharge	24,625,717.23	16,915,181.55
Land appreciation tax	516,923,345.98	408,416,369.26
Enterprise income tax	2,642,078,648.35	2,877,581,309.35
Individual income tax withheld for tax authorities	66,916,226.42	44,435,348.98
Housing property tax	7,404,653.84	4,010,726.65
Land use tax	12,678,113.98	10,610,490.84
Others	23,316,244.29	19,896,593.95
Total	4,575,672,625.58	4,342,321,054.87

29. Other payables

(1) Details

Items	Closing balance	Opening balance
Dividend payable	61,248,603.53	4,716,763.74
Other payables	26,058,155,104.50	17,426,802,638.79

Items	Closing balance	Opening balance
Total	26,119,403,708.03	17,431,519,402.53

(2) Dividend payable

Items	Closing balance	Opening balance
Dividend on ordinary shares	57,240,405.89	4,716,763.74
Dividend on perpetual bonds classified as other equity instruments	4,008,197.64	
Subtotal	61,248,603.53	4,716,763.74

(3) Other payables

1) Details

Items	Closing balance	Opening balance
Project cooperation funds [Note 1]	5,748,491,459.04	3,860,336,359.47
Deposits	2,686,872,517.89	3,119,558,232.26
Equity transfer payments	347,267,616.08	497,431,510.00
Call loans		155,124,166.66
Temporary receipts payable	9,195,498,247.13	5,241,533,501.92
Funds collected and paid on behalf of clients	507,356,824.66	592,809,960.66
Liquidation reserve for land appreciation tax [Note 2]	3,736,568,021.36	2,188,299,300.23
Others	3,836,100,418.34	1,771,709,607.59
Total	26,058,155,104.50	17,426,802,638.79

Note 1: It is the project operating current accounts received by holding subsidiaries from non-controlling shareholders.

Note 2: Pursuant to the “Notice of the State Taxation Administration on Issues of the Liquidation for Land Appreciation Tax of Real Estate Development Enterprises” (Guo Shui Fa [2006] No. 187), the Company accrued land appreciation tax and included it in profit or loss.

2) Significant other payables with age over one year

Items	Closing balance	Reasons for unsettlement
Changshu Jinchen	378,218,800.00	The project hasn't been settled
云南金宏雅房地产开发有限公司 (Yunnan Jinhongya Real Estate Development Co., Ltd.*, the “Yunnan Jinhongya”)	362,404,768.42	The project hasn't been settled
南宁市耀鑫房地产开发有限公司 (Nanning Yaixin Real Estate Development Co., Ltd.*, the “Nanning Yaixin”)	358,940,848.33	The project hasn't been settled

* The English names are for identification purpose only.

Items	Closing balance	Reasons for unsettlement
重庆益欣房地产开发有限公司 (Chongqing Yixin Real Estate Development Co., Ltd.*)	297,680,071.26	The project hasn't been settled
石家庄金科天耀房地产开发有限公司 (Shijiazhuang Jinke Tianyao Real Estate Development Co., Ltd. *, the "Shijiazhuang Tianyao")	235,833,185.16	The project hasn't been settled
Subtotal	1,633,077,673.17	

30. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	16,677,100,828.63	23,789,597,164.90
Bonds payable due within one year	5,503,013,588.04	4,652,824,197.29
Long-term payables due within one year	62,000,000.00	161,532,943.39
Restricted share repurchase obligation [Note]	2,856,000.00	100,085,325.00
Accrued interest due within one year	946,203,526.92	1,005,439,111.46
Total	23,191,173,943.59	29,709,478,742.04

Note: Please refer to section XI of notes to financial statements for details.

31. Other current liabilities

Items	Closing balance	Opening balance [Note]
Output tax to be debited	5,846,358,593.83	4,735,335,068.30
Total	5,846,358,593.83	4,735,335,068.30

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

32. Long-term borrowings

Items	Closing balance	Opening balance
Credit borrowings	2,100,000,000.00	
Guaranteed borrowings	2,260,700,000.00	2,708,570,000.00
Pledged borrowings	2,304,000,000.00	1,400,000,000.00
Mortgaged borrowings	5,792,112,997.61	1,827,100,796.18
Mortgaged and guaranteed borrowings	24,050,721,929.70	28,262,537,370.79
Pledged and guaranteed borrowings	1,377,500,000.00	1,379,900,000.00

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Items	Closing balance	Opening balance
Pledged and mortgaged borrowings	3,699,584,662.73	1,511,293,181.36
Mortgaged, pledged and guaranteed borrowings	11,149,960,500.00	15,292,550,000.00
Total	52,734,580,090.04	52,381,951,348.33

33. Bonds payable

(1) Details

Items	Closing balance	Opening balance
Medium-term notes	4,287,665,854.17	2,285,815,112.72
Corporate bonds of 2015 (public offering)		281,684,235.66
Short-term financing bonds		1,199,953,972.60
Corporate bonds of 2018 (public offering)	1,959,156,277.10	3,574,535,166.66
Corporate bonds of 2018 (private placement)		2,085,749,404.99
Ultra-short-term notes of 2019		1,995,781,917.81
Corporate bonds of 2019 (public offering)	3,573,636,962.79	3,562,846,297.68
Corporate bonds of 2020 (public offering)	3,985,060,199.28	
Overseas USD bonds	2,051,721,138.06	2,026,012,067.16
Convertible bonds of Shenzhen Qianhai Wutong	1,472,894,382.71	1,175,404,071.22
Less: Bonds payable due within one year	5,503,013,588.04	4,652,824,197.29
Total	11,827,121,226.07	13,534,958,049.21

(2) Current period movements (not including other financial instruments such as preferred shares or perpetual bonds classified as financial liabilities)

Bonds	Par value	Issuing date	Maturity	Amount outstanding	Opening balance	Current period issuance
Corporate bonds of 2015 (public offering)	100	August 28, 2015	3+2 years	2,000,000,000.00	281,684,235.66	
Corporate bonds of 2018 (public offering) (phase I) [Note 1]	100	February 9, 2018	2+2 years, 3+2 years	3,580,000,000.00	3,574,535,166.66	
Corporate bonds of 2018 (private placement) (phase I)	100	April 3, 2018	2+1 year	600,000,000.00	598,493,715.62	
Corporate bonds of 2018 (private placement) (phase II)	100	September 5, 2018	2+1 year	1,500,000,000.00	1,487,255,689.37	
Medium-term notes of 2019 (phase I)	100	January 15, 2019	2 years	1,000,000,000.00	996,921,776.69	
Medium-term notes of 2019 (phase II)	100	April 16, 2019	2 years	1,300,000,000.00	1,288,893,336.03	
Short-term financing bonds of 2019	100	January 8, 2019	1 year	1,200,000,000.00	1,199,953,972.60	
Ultra-short-term financing bonds of 2019 (phase II)	100	April 26, 2019	270 days	800,000,000.00	799,243,835.62	
Corporate bonds of 2019 (public offering) (Phase I) [Note 2]	100	March 11, 2019	2+2 years	2,000,000,000.00	1,990,752,513.64	

Bonds	Par value	Issuing date	Maturity	Amount outstanding	Opening balance	Current period issuance
Overseas USD bonds [Note 3]	100	June 20, 2019	3 years	2,064,150,000.00	2,026,012,067.16	
Corporate bonds of 2019 (public offering) (phase II) [Note 2]	100	July 8, 2019	2+1 year	1,580,000,000.00	1,572,093,784.04	
Ultra-short-term financing bonds of 2019 (phase III)	100	December 18, 2019	270 days	1,200,000,000.00	1,196,538,082.19	
Ultra-short-term financing bonds of 2020 (phase I)	100	January 9, 2020	270 days	800,000,000.00		797,790,684.93
Corporate bonds of 2020 (public offering) (phase I) (category I) [Note 4]	100	February 20, 2020	2+1 year	1,900,000,000.00		1,891,079,391.26
Corporate bonds of 2020 (public offering) (phase I) (category II) [Note 4]	100	February 20, 2020	3+2 years	400,000,000.00		397,825,934.74
Corporate bonds of 2020 (public offering) (phase II) (category I) [Note 4]	100	May 28, 2020	2+2 years	1,250,000,000.00		1,243,750,000.00
Corporate bonds of 2020 (public offering) (phase II) (category II) [Note 4]	100	May 28, 2020	3+2 years	450,000,000.00		447,300,000.00
Medium-term notes of 2020 (phase I)	100	July 30, 2020	2+2 years	1,000,000,000.00		994,000,000.00
Medium-term notes of 2020 (phase II)	100	August 25, 2020	2+2 years	1,000,000,000.00		994,000,000.00
Convertible bonds of Shenzhen Qianhai Wutong of 2019	100	November 19, 2019	1 year	1,181,399,000.00	1,175,404,071.22	
Convertible bonds of Shenzhen Qianhai Wutong of 2020	100	June 15, 2020	1 year	1,460,545,400.00		1,457,899,593.00
Convertible bonds of Shenzhen Qianhai Wutong No. 2020201, 203	100	August 28, 2020	18 months	889,000,000.00		888,430,000.00
Subtotal				29,155,094,400.00	18,187,782,246.50	9,112,075,603.93

(Continued)

Bonds	Par value interest	Premium/Discount amortization or exchange rate changes	Current period repayment	Closing balance	Including: Bonds payable due within one year
Corporate bonds of 2015 (public offering)	11,758,849.44	89,664.34	281,773,900.00		
Corporate bonds of 2018 (public offering) (phase I) [Note 1]	157,834,553.42	4,921,110.44	1,620,300,000.00	1,959,156,277.10	
Corporate bonds of 2018 (private placement) (phase I)	11,947,397.26	1,506,284.38	600,000,000.00		
Corporate bonds of 2018 (private placement) (phase II)	81,483,287.67	12,744,310.63	1,500,000,000.00		
Medium-term notes of 2019 (phase I)	70,191,780.82	2,972,349.85		999,894,126.54	999,894,126.54
Medium-term notes of 2019 (phase II)	85,774,356.16	8,610,604.70		1,297,503,940.73	1,297,503,940.73
Short-term financing bonds of 2019	1,282,191.78	46,027.40	1,200,000,000.00		
Ultra-short-term financing bonds of 2019 (phase II)	2,568,767.12	756,164.38	800,000,000.00		
Corporate bonds of 2019 (public offering) (Phase I) [Note 2]	138,378,082.19	7,782,405.43		1,998,534,919.07	

Bonds	Par value interest	Premium/Discount amortization or exchange rate changes	Current period repayment	Closing balance	Including: Bonds payable due within one year
Overseas USD bonds [Note 3]	189,552,747.55	25,709,070.90		2,051,721,138.06	2,051,721,138.06
Corporate bonds of 2019 (public offering) (phase II) [Note 2]	102,981,369.86	3,008,259.68		1,575,102,043.72	
Ultra-short-term financing bonds of 2019 (phase III)	48,991,890.41	3,461,917.81	1,200,000,000.00		
Ultra-short-term financing bonds of 2020 (phase I)	30,667,397.26	2,209,315.07	800,000,000.00		
Corporate bonds of 2020 (public offering) (phase I) (category I) [Note 4]	98,695,890.41	1,999,307.88		1,893,078,699.14	
Corporate bonds of 2020 (public offering) (phase I) (category II) [Note 4]	21,816,986.30	779,634.02		398,605,568.76	
Corporate bonds of 2020 (public offering) (phase II) (category I) [Note 4]	37,328,767.12	1,818,520.98		1,245,568,520.98	
Corporate bonds of 2020 (public offering) (phase II) (category II) [Note 4]	15,050,958.90	507,410.40		447,807,410.40	
Medium-term notes of 2020 (phase I)	23,695,890.41	1,237,426.24		995,237,426.24	
Medium-term notes of 2020 (phase II)	19,367,671.23	1,030,360.66		995,030,360.66	
Convertible bonds of Shenzhen Qianhai Wutong of 2019	62,856,232.03	5,994,928.78	1,181,399,000.00		
Convertible bonds of Shenzhen Qianhai Wutong of 2020	62,066,189.45	1,844,789.71	305,850,000.00	1,153,894,382.71	1,153,894,382.71
Convertible bonds of Shenzhen Qianhai Wutong No. 2020201, 203	23,546,841.55	570,000.00	570,000,000.00	319,000,000.00	
Subtotal	1,297,838,098.34	89,599,863.68	10,059,322,900.00	17,330,134,814.11	5,503,013,588.04

Note 1: Under the of approval of China Securities Regulatory Commission (CSRC), the Company publicly issues corporate bonds with par value not exceeding 5.5 billion yuan to qualified investors. In which, the corporate bond by public offering (phase I) of 2018 issued on February 9, 2018 amounts to 3.58 billion yuan, which is divided into two categories. Category A amounts to 1.97 billion yuan with term of 4 years and issuing rate of 7.2%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year; Category B amounts to 1.61 billion yuan with term of 5 years and issuing rate of 7.5%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the third year. During the reporting period, investors resold 16,203,000 shares of Category A in amount of 1,620,300,000 yuan (interest excluded). As of the reporting date, investors resold 16,100,000 shares of Category B with a resale amount of 1,610,000,000 yuan (interest excluded). Following the completion of the resale, Category B was delisted on February 9, 2021.

Note 2: Under the of approval of CSRC, the Company publicly issues corporate bonds with par value not exceeding 4.4 billion yuan to qualified investors. In which, the corporate bond by public

offering (phase I) of 2019 issued on March 11, 2019 amounts to 2 billion yuan with term of 4 years and coupon rate of 6.9%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year. The corporate bond by public offering (phase II) of 2019 issued on July 8, 2019 amounts to 1.58 billion yuan with term of 3 years and coupon rate of 6.5%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year. As of the reporting date, investors resold 20,000,000 shares of phase I bonds with a resale amount of 2,000,000,000 yuan (interest excluded).

Note 3: Under the of approval of the National Development and Reform Commission, the Company issued high-grade bonds in amount of USD 300 million on June 20, 2019 with term of 2 years and coupon rate of 8.375%.

Note 4: Under the of approval of CSRC, the Company publicly issues corporate bonds with par value not exceeding 5 billion yuan to qualified investors. In which, the par value of corporate bond by public offering (phase I) of 2020 issued on February 20, 2020 shall not exceed 2.3 billion yuan, which is divided into two categories. Category A amounts to 1.9 billion yuan with term of 3 years and issuing rate of 6.00%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year; Category B amounts to 400 million yuan with term of 5 years and issuing rate of 6.30%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the third year. The par value of corporate bond by public offering (phase II) of 2020 issued on May 28, 2020 shall not exceed 1.7 billion yuan, which is divided into two categories. Category A amounts to 1.25 billion yuan with term of 4 years and issuing rate of 5.00%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year; Category B amounts to 450 million yuan with term of 5 years and issuing rate of 5.60%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the third year.

34. Long-term payables

(1) Details

Items	Closing balance	Opening balance
Finance lease payables	580,343,891.11	1,192,342,194.58
Total	580,343,891.11	1,192,342,194.58

(2) Other remarks

Pursuant to the Finance Lease Contract entered into between the subsidiary Xinjiang Huaran (the lessee) and 重庆润金融资租赁有限公司 (Chongqing Runjin Finance Lease Co., Ltd.*, the lessor), the leased property under this contract shall be the 50 sets of B01-B50 wind turbines of No. 6 wind farm in Yandun, Hami, Xinjiang, which is purchased from the lessee by the lessor and

* The English name is for identification purpose only.

leased to the lessee. The transfer price is 505 million yuan, and the lease term is 12 years; as of December 31, 2020, the balance of this long-term payable totaled 352.02 million yuan (including long-term payable due within one year in amount of 47 million yuan).

Pursuant to the Finance Lease Contract entered into between the subsidiary Hami Huaran (the lessee) and 重庆银海融资租赁有限公司 (Chongqing Yin Hai Finance Lease Co., Ltd.*, the “Yin Hai Lease”, the lessor), the leased property under this contract shall be the 30 sets of H11L-2.0MW wind turbines and 4 sets of wind power tower mould in the C-area of Jingxia No. 2 Wind Farm, which are purchased from the lessee by the lessor and leased to the lessee. The transfer price is 300 million yuan, and the lease term is 8 years; as of December 31, 2020, the balance of this long-term payable totaled 290.32 million yuan (including long-term payable due within one year in amount of 15 million yuan).

35. Deferred income

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	468,936,913.44	69,500,098.80	262,914,767.76	275,522,244.48	Special fiscal subsidies for matching funds, etc.
Total	468,936,913.44	69,500,098.80	262,914,767.76	275,522,244.48	

(2) Details of government grants

Items	Opening balance	Increase	Grants included into profit or loss/offsetting relevant cost [Note]	Closing balance	Related to assets/income
Subsidy for infrastructure construction	44,250,000.00			44,250,000.00	Related to assets
Subsidy for supporting industrial development	342,800,000.00	59,272,000.00	245,303,144.67	156,768,855.33	Related to assets
Special fiscal subsidy for matching funds	81,886,913.44	10,228,098.80	17,611,623.09	74,503,389.15	Related to assets
Subtotal	468,936,913.44	69,500,098.80	262,914,767.76	275,522,244.48	

Note: Please refer to notes to government grants for details on government grants included into profit or loss.

36. Share capital

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	5,339,715,816						5,339,715,816

* The English name is for identification purpose only.

37. Other equity instruments

(1) Basic information of other financial instruments such as preferred shares or perpetual bonds outstanding as of the balance sheet date

The Company obtained investment funds of 1.34 billion yuan with unfixed repayment term in 2020.

(2) Current period movements of financial instruments such as preferred shares or perpetual bonds outstanding at the balance sheet date

Items	Opening balance		Increase	
	Quantity	Carrying amount	Quantity	Carrying amount
Perpetual bonds		800,000,000.00		1,341,770,000.00
Total		800,000,000.00		1,341,770,000.00

(Continued)

Items	Decrease		Closing balance	
	Quantity	Carrying amount	Quantity	Carrying amount
Perpetual bonds				2,141,770,000.00
Total				2,141,770,000.00

(3) Other remarks

Pursuant to the relevant agreement entered into between the Company and 百瑞信托有限责任公司 (Bridge Trust Co., Ltd.*, the “Bridge Trust”), Bridge Trust issues an investment not exceeding 2.7 billion yuan to the Company. Bridge Trust agrees that there is no limit to the investment repayment term, and the order of repayment is later than other general debts. As of December 31, 2020, the Company has received investment of 1,341,770,000 yuan.

Since the clauses of above-mentioned agreement do not include the contractual obligation to deliver cash or other financial assets to other parties, nor the contractual obligation to exchange financial assets or financial liabilities with other parties under potentially adverse conditions, which complies with the definition of equity instruments in “CASBE 37 - Presentation of Financial Instruments” (revised on June 20, 2014), “Regulations on Distinguishing of Financial Liabilities and Equity Instruments & Related Accounting Treatment” (Cai Kuai [2014] No. 13), and “Regulations on Accounting Treatment of Perpetual Bonds” (Cai Kuai [2019] No. 2), the Company classifies the investment received with no fixed repayment term of 1.34 billion yuan as other equity instruments.

38. Capital reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
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* The English name is for identification purpose only.

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	4,302,069,707.08	2,726,400,872.91	402,825.00	7,028,067,754.99
Other capital reserve	205,082,889.66	25,941,456.67		231,024,346.33
Total	4,507,152,596.74	2,752,342,329.58	402,825.00	7,259,092,101.32

(2) Other remarks

1) Current decrease of share premium amounting to 402,825.00 yuan is due to the adjustment of the difference between the repurchase price and the grant price of restricted shares with recourse right; current increase of share premium amounting to 2,726,400,872.91 yuan is due to equity transactions with non-controlling shareholders.

2) Current increase of other capital reserve: 12,661,600.00 yuan is due to proportionate share of the Company's subsidiary Wuxi Jinke Jiarun Real Estate Development Co., Ltd. * 无锡金科嘉润房地产开发有限公司 in its associate Changzhou Jinchen, which received capital investment from other shareholders, giving rise to an increase in other shareholder's equity; 13,279,856.67 yuan is due to increase of equity incentive costs, of which, equity-settled share-based payments of 61,825.22 yuan is included into other capital reserve. Please refer to section XI for details; adjustment on deferred tax assets of 13,218,031.45 yuan calculated and recognized based on the difference between the accounting base and tax base of equity incentive is included into other capital reserve pursuant to the document numbered Announcement of STA No. 18 in 2012.

39. Treasury shares

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Restricted shares	100,085,325.00		97,229,325.00	2,856,000.00
Repurchased but not cancelled shares	21,073,725.00	590,400.00		21,664,125.00
Total	121,159,050.00	590,400.00	97,229,325.00	24,520,125.00

(2) Other remarks

1) Current decrease of restricted shares in amount of 97,229,325.00 yuan is due to 38,715,000 shares granted pursuant to the resolution passed by the 52nd meeting of the tenth session of the Board of Directors of 2020, 2,100,000 shares unlocked and listed, and repurchase of 307,500 restricted shares that were not qualified for incentive plan and not eligible for unlocking, as well as the distribution of cash dividend. Please refer to section XI of notes to financial statements for details on equity incentive.

2) The repurchased but not cancelled shares in the current period are increased by 590,400.00 yuan. Pursuant to the resolution passed by the 52nd meeting of the tenth session of the Board of

* The English name is for identification purpose only.

Directors of 2020, the Company repurchased 307,500 restricted RMB ordinary shares (A shares) from 11 incentive targets by cash at the price of 1.92 yuan/share, as their performance assessments failed to meet the requirements. As of December 31, 2020, cancellation of the restricted shares repurchased and its registration procedures have not been completed.

40. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Items not to be reclassified subsequently to profit or loss		-21,066,834.24			-5,266,708.56	-15,800,125.68		-15,800,125.68
Including: Changes in fair value of other equity instrument investments		-21,066,834.24			-5,266,708.56	-15,800,125.68		-15,800,125.68
Items to be reclassified subsequently to profit or loss	2,392,387,787.05	137,862,954.82	2,335,827.30		30,544,334.34	89,868,661.81	15,114,131.37	2,482,256,448.86
Including: Difference between fair value and carrying amount of inventories transferred into investment property	2,384,574,633.38	126,650,992.36	2,335,827.30		30,544,334.34	78,656,699.35	15,114,131.37	2,463,231,332.73
Other comprehensive income to be transferred to profit or loss under equity method	7,813,153.67	11,211,962.46				11,211,962.46		19,025,116.13
Total	2,392,387,787.05	116,796,120.58	2,335,827.30		25,277,625.78	74,068,536.13	15,114,131.37	2,466,456,323.18

41. Surplus reserve

(1) Details

Items	Opening balance [Note]	Increase	Decrease	Closing balance
Statutory surplus reserve	1,464,997,553.74	457,653,962.04		1,922,651,515.78
Total	1,464,997,553.74	457,653,962.04		1,922,651,515.78

Note: Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Other remarks

Current increase is due to the appropriation of statutory surplus reserve at 10% of the net profit generated by the parent company.

42. Undistributed profit

(1) Details

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	12,985,084,206.91	9,831,266,617.39
Add: Increase due to adjustment (or less: decrease)	771,435,387.94	
Opening balance after adjustment	13,756,519,594.85	9,831,266,617.39
Add: Net profit attributable to owners of the parent company	7,030,016,057.00	5,675,826,256.49
Less: Appropriation of statutory surplus reserve	457,653,962.04	527,212,174.21
Dividend payable on ordinary shares	2,399,279,992.20	1,918,296,493.76
Others [Note]	112,710,975.39	76,499,999.00
Closing balance	17,816,890,722.22	12,985,084,206.91

Note: Interest payable due to the holders of other equity instruments totaled 113,113,800.39 yuan in the current period; adjustment of -402,825.00 yuan was made due to the difference between the repurchase price and grant price of restricted shares.

(2) Details on increase or decrease due to adjustment

Pursuant to related requirements stipulated in the CASBEs, adjustment of 771,435,387.94 yuan is made on opening balance of undistributed profit on a retroactive basis. Please refer to section III (XXXV) 1 (1) 1) of notes to the financial statements for details.

(II) Notes to items of the consolidated income statement

1. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	86,822,424,671.66	66,624,014,444.57	66,726,638,517.45	47,314,849,291.20
Other operations	881,985,311.30	766,194,774.17	1,046,736,002.72	915,210,383.10
Total	87,704,409,982.96	67,390,209,218.74	67,773,374,520.17	48,230,059,674.30

Items	Current period cumulative	Preceding period comparative
Revenue from contracts	87,554,371,946.20	67,693,016,920.57
Lease income	150,038,036.76	80,357,599.60
Total	87,704,409,982.96	67,773,374,520.17

(2) Breakdown of revenue by main categories

Items	Current period cumulative		Preceding period comparative	
	Main operations revenue	Main operations cost	Main operations revenue	Main operations cost
Real estate sales	81,529,401,398.35	62,766,955,249.31	63,170,149,759.37	44,793,681,438.79

Items	Current period cumulative		Preceding period comparative	
	Main operations revenue	Main operations cost	Main operations revenue	Main operations cost
and operation				
Life services	2,226,814,571.62	1,471,493,635.99	1,780,840,995.29	1,307,644,010.25
Real estate construction	1,260,467,141.28	1,123,783,630.99	824,464,539.82	635,598,810.19
Hotel management	210,564,650.83	68,516,806.43	249,199,844.26	86,036,654.70
Materials sales	760,003,417.34	702,673,266.58	297,658,340.54	302,497,186.95
Wind energy investment and development	835,173,492.24	490,591,855.27	404,325,038.17	189,391,190.32
Total	86,822,424,671.66	66,624,014,444.57	66,726,638,517.45	47,314,849,291.20

(3) Performance obligations

The Company sells real estate to customers. The sales contract is concluded at the time of pre-sale, and sales revenue is recognized when the project is completed and accepted, the delivery conditions as agreed in the sales contract are reached, and the customer acquires control over the relevant goods or services.

The Company provides property management service to customers. This service is a performance obligation satisfied over time. The Company recognizes revenue in the process of providing property management service.

(4) Transaction price allocated to the remaining performance obligations

As of December 31, 2020, the transaction price allocated to the remaining performance obligations was mainly the transaction price of the sales contract that had not yet met the delivery conditions agreed in the real estate sales contract and the expected future revenue from the construction contract. The sales revenue will be recognized within 1 to 3 years when the project is completed and accepted, the delivery conditions as agreed in the sales contract are reached, and the customer acquires control over the relevant goods or services.

(5) Revenue recognized as included in the opening balance of carrying amount of contract liabilities totaled 67,852,426,280.23 yuan.

(6) Other remarks

Top five projects with largest revenue from main operations of 2020

Items	Revenue from main operations	Proportion to total revenue from main operations (%)
No. 1	3,059,270,356.96	3.52
No. 2	2,642,409,576.15	3.04
No. 3	2,351,262,532.23	2.71
No. 4	2,249,708,182.57	2.59

Items	Revenue from main operations	Proportion to total revenue from main operations (%)
No. 5	2,106,407,556.86	2.43
Subtotal	12,409,058,204.77	14.29

2. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	185,296,666.93	206,605,209.45
Education surcharge	83,881,912.56	84,609,923.09
Local education surcharge	52,149,761.24	56,064,637.45
Land appreciation tax	2,494,291,687.80	2,188,451,225.79
Stamp duty	98,241,696.51	101,916,726.23
Housing property tax	50,416,789.44	32,884,895.79
Land use tax	16,167,890.98	19,746,763.35
Others	12,745,693.51	16,547,434.37
Total	2,993,192,098.97	2,706,826,815.52

3. Selling expenses

Items	Current period cumulative	Preceding period comparative
Advertising expenses	1,558,274,399.72	2,357,328,695.28
Employee benefits	1,110,489,003.87	1,002,387,413.85
Others	793,029,905.77	854,793,757.05
Total	3,461,793,309.36	4,214,509,866.18

4. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	2,283,770,903.98	1,910,126,223.08
Office administrative expenses	421,946,918.02	439,636,372.43
Depreciation of fixed assets	49,311,476.01	51,728,669.95
Others	259,757,159.08	287,962,480.74
Total	3,014,786,457.09	2,689,453,746.20

5. R&D expenses

Items	Current period cumulative	Preceding period comparative
R&D expenditures	33,906,519.53	13,315,938.04
Employee benefits	58,250,857.74	27,736,565.97

Items	Current period cumulative	Preceding period comparative
Total	92,157,377.27	41,052,504.01

6. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	929,847,428.26	965,772,811.27
Less: Interest income [Note]	591,366,289.93	413,148,265.96
Gains or losses on foreign exchange	41,584,211.68	
Others	101,084,441.10	76,093,094.03
Total	481,149,791.11	628,717,639.34

Note: It included interest income of cash in bank in amount of 253.94 million yuan, interest income of investment and development funds received from associates and joint ventures in accordance with the agreement in amount of 252.78 million yuan, and the interest income of investment and development received from other partners in amount of 84,649,201.82 yuan.

7. Other income

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Special fiscal subsidy for matching funds	17,611,623.09	51,603,075.00	17,611,623.09
Fiscal subsidy	122,675,482.54	97,179,722.41	122,675,482.54
Subsidy for supporting industrial development	245,303,144.67		245,303,144.67
Others	17,637,224.21	4,929,728.73	17,637,224.21
Total	403,227,474.51	153,712,526.14	403,227,474.51

Note: Please refer to section V (IV) 3 of the notes to financial statements for details on government grants included into other income.

8. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	1,302,614,103.06	184,599,961.90
Gains on disposal of long-term equity investments	125,753,345.64	
Gains on remeasurement on fair value of remaining equity after losing control	188,478,315.20	
Investment income from financial instruments	3,472,364.40	1,095,997.81
Total	1,620,318,128.30	185,695,959.71

9. Gains on changes in fair value

Items	Current period cumulative	Preceding period comparative
Investment property at fair value [Note]	464,300,008.73	95,873,271.19
Total	464,300,008.73	95,873,271.19

Note: Please refer to section V (I) 14 of the notes to financial statements for details.

10. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts	-75,625,273.78	-96,449,928.06
Impairment loss of contract assets	-7,619,256.87	
Total	-83,244,530.65	-96,449,928.06

11. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-410,311,834.22	-981,480,793.67
Total	-410,311,834.22	-981,480,793.67

12. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on disposal of non-current assets	-34,449,015.91	1,510,698.56	-34,449,015.91
Total	-34,449,015.91	1,510,698.56	-34,449,015.91

13. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Fines and penalties income	108,515,072.15	79,303,407.83	108,515,072.15
Gains on disposal of waste materials	866,355.52	529,480.53	866,355.52
Others	33,055,427.09	16,466,600.19	33,055,427.09
Total	142,436,854.76	96,299,488.55	142,436,854.76

14. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	82,778,750.71	245,847,726.54	82,778,750.71

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Losses on damage or retirement of non-current assets		546,803.62	
Compensation expenditures	22,900,492.41	63,841,597.31	22,900,492.41
Penalties and fines	60,457,079.77	56,540,580.00	60,457,079.77
Others	28,270,929.49	16,080,281.98	28,270,929.49
Total	194,407,252.38	382,856,989.45	194,407,252.38

15. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	2,350,808,641.76	2,239,845,396.80
Deferred income tax expenses	123,823,046.37	-261,784,758.57
Total	2,474,631,688.13	1,978,060,638.23

(2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative	Preceding period comparative
Profit before tax	12,178,991,563.56	8,335,058,507.59
Income tax expenses based on tax rate applicable to the parent company	3,044,747,890.89	2,083,764,626.90
Effect of different tax rate applicable to subsidiaries	-638,382,658.13	-818,376,044.42
Effect of prior income tax reconciliation	-90,719,426.89	38,900,744.10
Effect of non-taxable income	-371,557,596.96	-29,328,958.32
Effect of non-deductible costs, expenses and losses	458,632,141.05	147,505,736.41
Utilization of deductible losses not previously recognized as deferred tax assets	-91,066,163.82	-77,820,626.60
Effect of deducible temporary differences or deductible losses not recognized as deferred tax assets	256,240,434.24	550,610,442.50
Others	-93,262,932.25	82,804,717.66
Income tax expenses	2,474,631,688.13	1,978,060,638.23

16. Other comprehensive income, net of income tax

Please refer to section V (I) 40 of notes to financial statements for details.

(III) Notes to items of the consolidated cash flow statement

1. Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Current accounts with associates and joint ventures	26,637,539,521.40	20,186,138,799.70
Operating current accounts with partners	10,933,769,356.09	9,835,861,352.35
Current accounts	7,730,142,296.60	6,251,492,136.29
Deposits	6,776,220,765.84	3,717,496,660.13
Project cooperation funds	2,404,500,000.00	526,732,192.99
Funds collected and paid on behalf	900,047,826.39	1,572,465,505.81
Interest income	474,887,583.29	350,848,285.85
Fiscal subsidy	156,306,769.06	286,113,794.64
Others	593,956,945.76	261,918,673.49
Total	56,607,371,064.43	42,989,067,401.25

2. Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Current accounts with associates and joint ventures	22,672,973,995.63	18,816,328,488.02
Operating current accounts with partners	17,669,654,395.81	17,623,959,057.76
Current accounts	11,731,101,012.76	5,045,855,005.37
Deposits	8,048,795,853.46	5,237,963,777.59
Expenses paid in cash	3,783,391,091.36	1,938,744,447.30
Funds collected and paid on behalf	1,341,524,741.48	1,683,826,046.77
Project cooperation funds	230,000,000.00	105,965,088.00
Others	880,899,254.22	581,530,610.62
Total	66,358,340,344.72	51,034,172,521.43

3. Other cash receipts related to investing activities

Items	Current period cumulative	Preceding period comparative
Amount reclassified from “net cash payment for the acquisition of subsidiaries and other business units” [Note]	89,680.08	10,411.65
Total	89,680.08	10,411.65

Note: Please refer to section V (III) 7 (2) of notes to financial statements for details.

4. Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Consideration for debt-bearing acquisition	743,428,494.30	3,009,652,131.05
Prepayments for equity acquisition	1,128,600,000.00	1,442,119,127.29

Items	Current period cumulative	Preceding period comparative
Amount reclassified from “net cash payment for the disposal of subsidiaries and other business units” [Note]	1,595,745,158.26	893,471,275.03
Total	3,467,773,652.56	5,345,242,533.37

Note: Please refer to section V (III) 7 (3) of notes to the financial statements for details.

5. Other cash receipts related to financing activities

Items	Current period cumulative	Preceding period comparative
Equity instrument financing	1,341,770,000.00	800,000,000.00
Transfer of non-controlling interest in subsidiaries	1,064,200.00	65,359,030.00
Deposit for loans	228,291,522.52	
Total	1,571,125,722.52	865,359,030.00

6. Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Repayment for unfixed-term entrust loans		1,700,000,000.00
Financing costs	70,884,582.02	67,761,296.25
Deposit for loans		550,190,685.37
Payments for capital decrease to non-controlling shareholders of subsidiaries	311,268,000.00	166,200,000.00
Acquisition of non-controlling interest in subsidiaries	2,258,729,519.45	124,925,679.08
Payments for repurchasing restricted shares	4,737,900.00	960,645.00
Total	2,645,620,001.47	2,610,038,305.70

7. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Supplement information	Current period cumulative	Preceding period comparative
(1) Reconciliation of net profit to cash flow from operating activities:		
Net profit	9,704,359,875.43	6,356,997,869.36
Add: Provision for assets impairment loss	493,556,364.87	1,077,930,721.73
Depreciation of fixed assets, oil and gas assets, productive biological assets	287,593,683.00	267,708,612.82
Amortization of intangible assets	13,723,938.60	12,538,599.30
Amortization of long-term prepayments	57,521,305.09	65,053,529.67
Loss on disposal of fixed assets, intangible	34,449,015.91	-1,510,698.56

Supplement information	Current period cumulative	Preceding period comparative
assets and other long-term assets (Less: gains)		
Fixed assets retirement loss (Less: gains)		546,803.62
Losses on changes in fair value (Less: gains)	-464,300,008.73	-95,873,271.19
Financial expenses (Less: gains)	929,847,428.26	965,772,811.27
Investment losses (Less: gains)	-1,620,318,128.30	-185,695,959.71
Decrease of deferred tax assets (Less: increase)	-451,161,671.93	-277,836,474.97
Increase of deferred tax liabilities (Less: decrease)	574,984,718.30	16,051,716.40
Decrease of inventories (Less: increase)	-36,151,408,589.82	-50,046,678,041.51
Decrease of operating receivables (Less: increase)	-10,961,746,144.46	-18,646,904,915.67
Increase of operating payables (Less: decrease)	52,060,805,401.96	62,730,633,929.42
Others		
Net cash flows from operating activities	14,507,907,188.18	2,238,735,231.98
(2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
(3) Net changes in cash and cash equivalents:		
Cash at the end of the period	42,707,622,248.29	34,887,063,530.25
Less: Cash at the beginning of the period	34,887,063,530.25	29,483,584,814.47
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	7,820,558,718.04	5,403,478,715.78

(2) Net cash payment for acquisition of subsidiaries in current period

Items	Current period cumulative
Cash and cash equivalents paid in current period as consideration for business combination in current period	4,778,274,868.65
Including: 达州金科房地产开发有限公司 (Dazhou Jinke Real Estate Development Co., Ltd.*)	12,400,000.00
洛阳森特置业有限公司 (Luoyang Sente Property Co., Ltd.*)	
贵州鑫久恒房地产开发有限公司 (Guizhou Xinjiuheng Real Estate Development Co., Ltd.*)	
重庆星坤房地产开发有限公司 (Chongqing Xingkun Real Estate Development Co., Ltd.*)	616,204,802.65

* The English names are for identification purpose only.

Items	Current period cumulative
沈阳澳源房地产开发有限公司 (Shenyang Aoyuan Real Estate Development Co., Ltd.*)	610,200,000.00
抚州华睿置业有限公司 (Fuzhou Huarui Property Co., Ltd.*)	
荆州祥锦置业有限公司 (Jingzhou Xiangjin Property Co., Ltd.*)	
南昌茂悦湖置业有限公司 (Nanchang Maoyuehu Property Co., Ltd.*)	
襄阳科鹏置业有限公司 (Xiangyang Kepeng Property Co., Ltd.*)	
宁波海曙和韵商务信息咨询有限公司 (Ningbo Haishu Heyun Business Information Consulting Co., Ltd.*)	
利川状元谷物业管理有限公司 (Lichuan Zhuangyuangu Property Management Co., Ltd.*)	6.00
宜都金时代物业服务服务有限公司 (Yidu Jinshidai Property Service Co., Ltd.*)	
上海展粹企业管理有限公司 (Shanghai Zhancui Enterprise Management Co., Ltd.*)	430,493,200.00
上海贡平企业管理有限公司 (Shanghai Gongping Enterprise Management Co., Ltd.*)	106,094,300.00
上海暄烜企业管理咨询有限公司 (Shanghai Xuanxuan Enterprise Management Consulting Co., Ltd.*)	700,063,000.00
上海洛茫企业管理有限公司 (Shanghai Luomang Enterprise Management Co., Ltd.*)	200,380,840.00
Shanghai Ruixi	483,461,500.00
Shanghai Qinbao	105,151,120.00
徐州硕立房地产开发有限公司 (Xuzhou Shuoli Real Estate Development Co., Ltd.*)	1,322,916,700.00
重庆航星实业有限公司 (Chongqing Hangxing Industrial Co., Ltd.*)	45,753,900.00
咸阳金嘉润房地产开发有限公司 (Xianyang Jinjiarun Real Estate Development Co., Ltd.*)	145,155,500.00
重庆金兆禧实业发展有限公司 (Chongqing Jinzhaoxi Industrial Development Co., Ltd.*)	
重庆金兆鑫实业发展有限公司 (Chongqing Jinzhaoxin Industrial Development Co., Ltd.*)	
南京修远尚良股权投资合伙企业 (有限合伙) (Nanjing Xiuyuan Shangliang Equity Investment Partnership Enterprise (LP)*)	
烟台嘉景房地产开发有限公司 (Yantai Jiajing Real Estate Development Co., Ltd.*)	
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	444,005,805.56
Including: Dazhou Jinke Real Estate Development Co., Ltd.	
Luoyang Sente Property Co., Ltd.	77,099.67

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Items	Current period cumulative
Guizhou Xinjiuheng Real Estate Development Co., Ltd.	12,293.51
Chongqing Xingkun Real Estate Development Co., Ltd.	69,462,108.03
Shenyang Aoyuan Real Estate Development Co., Ltd.	352,790,539.20
Fuzhou Huarui Property Co., Ltd.	
Jingzhou Xiangjin Property Co., Ltd.	
Nanchang Maoyuehu Property Co., Ltd.	
Xiangyang Kepeng Property Co., Ltd.	
Ningbo Haishu Heyun Business Information Consulting Co., Ltd.	
Lichuan Zhuangyuangu Property Management Co., Ltd.	
Yidu Jinshidai Property Service Co., Ltd.	
Shanghai Zhancui Enterprise Management Co., Ltd.	1,146,977.66
Shanghai Gongping Enterprise Management Co., Ltd.	889.19
Shanghai Xuanxuan Enterprise Management Consulting Co., Ltd.	11,962,741.56
Shanghai Luomang Enterprise Management Co., Ltd.	0.04
Shanghai Ruixi	693.19
Shanghai Qinbao	689.19
Xuzhou Shuoli Real Estate Development Co., Ltd.	
Chongqing Hangxing Industrial Co., Ltd.	8,551,487.42
Xianyang Jinjiarun Real Estate Development Co., Ltd.	
Chongqing Jinzhaoxi Industrial Development Co., Ltd.	286.90
Chongqing Jinzhaoxin Industrial Development Co., Ltd.	
Nanjing Xiuyuan Shangliang Equity Investment Partnership Enterprise (LP)	
Yantai Jiajing Real Estate Development Co., Ltd.	
Add: Cash and cash equivalents paid in current period as consideration for business combination in prior periods	92,540,000.00
Including: 安康景宜置业有限公司 (Ankang Jingyi Property Co., Ltd.*)	92,540,000.00
Amount reclassified to “other cash receipts related to investing activities” [Note]	89,680.08
Net cash payment for acquisition of subsidiaries in current period	4,426,898,743.17

Note: For some acquisitions in the current period, the balance of cash payments for acquisition after deducting cash and cash equivalents held by acquiree is negative; therefore, it is reclassified as “other cash receipts related to investing activities”.

(3) Net cash receipts from disposal of subsidiaries in current period

* The English names are for identification purpose only.

Items	Current period cumulative
Cash and cash equivalents received in current period for subsidiary disposal in current period	143,064,987.10
Including: 重庆睿博资产管理咨询有限公司 (Chongqing Ruibo Asset Management Consulting Co., Ltd.*)	10,029,600.00
金松商业保理有限公司 (Jinsong Commercial Factoring Co., Ltd.*, the “Jinsong Factoring”)	25,815,287.10
北京金科德远置业有限公司 (Beijing Jinke Deyuan Property Co., Ltd.*, the “Beijing Jinke Deyuan”)	
Beijing Jinke Jinbi	
Hefei Jinjun Meihe	
上海紫京置业有限公司 (Shanghai Zijing Property Co., Ltd.*, the “Shanghai Zijing”)	7,220,100.00
Changzhou Jincheng	
新密首利置业有限公司 (Xinmi Shouli Property Co., Ltd.*, the “Xinmi Shouli”)	
Chongqing Jinyuhui	
Chongqing Jinmeiyuanfang	
贵州龙里金科房地产开发有限公司 (Guizhou Longli Jinke Real Estate Development Co., Ltd.*)	100,000,000.00
贵州龙里天宸房地产开发有限公司 (Guizhou Longli Tianchen Real Estate Development Co., Ltd.*, the “Longli Tianchen”)	
Shandong Elysee	
湖南金科景朝产业发展有限公司 (Hunan Jinke Jingzhao Industrial Development Co., Ltd.*, the “Hunan Jingzhao”)	
长沙金朝置业有限公司 (Changsha Jinzhao Property Co., Ltd.*, the “Changsha Jinzhao”)	
长沙景科置业有限公司 (Changsha Jingke Property Co., Ltd.*, the “Changsha Jingke”)	
株洲景科置业有限公司 (Zhuzhou Jingke Property Co., Ltd.*, the “Zhuzhou Jingke”)	
Less: Cash and cash equivalents held by subsidiaries on which the Company lost control	1,688,403,550.11
Including: Chongqing Ruibo Asset Management Consulting Co., Ltd.	1,562,907.57
Jinsong Factoring	210,741.66
Beijing Jinke Deyuan	108,314,497.17
Beijing Jinke Jinbi	19,379,864.30
Hefei Jinjun Meihe	446,680,083.28

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Items	Current period cumulative
Shanghai Zijing	167,556,291.61
Changzhou Jinchen	149,013,988.85
Xinmi Shouli	179,642.14
Chongqing Jinyuhui	65,352,441.51
Chongqing Jinmeiyuanfang	213,687,819.30
Jinke Real Estate Development Co., Ltd.	10,874.73
Guizhou Longli Tianchen Real Estate Development Co., Ltd.	83,653,767.89
Shangdong Elysee	222,788,427.07
Hunan Jingzhao	72,201,856.91
Changsha Jinzhao	352,783.33
Changsha Jingke Property Co., Ltd.	99,650,532.32
Zhuzhou Jingke Property Co., Ltd.	37,807,030.47
Add: Cash and cash equivalents received in current period for subsidiary disposal in prior periods	
Amount reclassified to “other cash payments related to investing activities” [Note]	1,595,745,158.26
Net cash receipts for disposal of subsidiaries in current period	50,406,595.25

Note: For some disposals in the current period, the balance of cash receipts from disposal after deducting cash and cash equivalents held by entity disposed is negative, therefore, it is reclassified as “other cash payments related to investing activities”.

(4) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
1) Cash	42,707,622,248.29	34,882,463,530.25
Including: Cash on hand	57,082.08	203,590.41
Cash in bank on demand for payment	42,707,565,166.21	34,832,259,939.84
Other cash and bank balances on demand for payment		50,000,000.00
2) Cash equivalents		4,600,000.00
Including: Bond investments maturing within three months		4,600,000.00
3) Cash and cash equivalents at the end of the period	42,707,622,248.29	34,887,063,530.25
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

Note: In the preparation process, items that are not cash and cash equivalents have been removed from the cash flow statement. Please refer to section V (I) 1 (2) of notes to the financial statements for details.

(IV) Others

1. Assets with title or use right restrictions

Items	Closing carrying amount	Opening carrying amount	Reasons for restrictions
Cash and bank balances	784,639,871.24	1,099,064,084.85	Security deposits, pledge
Accounts receivable [Note]	578,242,098.57	582,203,983.70	Pledged and mortgaged for borrowings
Inventories	79,665,937,387.00	79,614,260,549.72	Mortgaged for borrowings
Long-term equity investments	2,966,750,085.41	594,280,157.74	Equity pledge
Fixed assets	2,310,415,572.12	2,588,696,288.33	Finance lease, mortgaged for borrowings
Investment property	8,618,180,894.54	3,617,261,412.54	Mortgaged for borrowings
Total	94,924,165,908.88	88,095,766,476.88	

Note: The Company's subsidiary Xinjiang Huaran provides pledged guarantee to the Industrial and Commercial Bank of China, Chongqing North Jianxin Road Sub-branch with the income from 100MW wind power of the Yandun No. 6 wind farm project; the Company's subsidiary Hami Huaran provides pledged guarantee to the Export-Import Bank of China with 40% charge right of electricity of the "Jingxia North Area Project"; the Company's subsidiary 长沙金科房地产开发有限公司 (Changsha Jinke Real Estate Development Co., Ltd.*) provides pledged guarantee with the accounts receivable arising from sale of the domestic real estate projects; the Company's subsidiary Jinke New Energy Co., Ltd. provides pledged guarantee to the Export-Import Bank of China with the right to collect accounts receivable under the contract for the construction of mixed towers and installation of wind turbines in Zaocun, Huaxian.

2. Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent
Cash and bank balances			5,640,556,594.19
Including: HKD	6,700,486,731.08	0.84164	5,639,397,652.35
USD	177,618.33	6.5249	1,158,941.84
Other equity instrument investments			
Including: HKD	409,296,030.00	0.84164	344,479,910.69
Bonds payable			
Including: USD	300,000,000.00	6.888 [Note]	2,066,400,000.00

Note: It is the delivery rate locked by the Company through RMB foreign exchange currency

* The English name is for identification purpose only.

swap transactions.

3. Government grants

(1) Details

1) Government grants related to assets

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Subsidy for infrastructure construction	44,250,000.00			44,250,000.00		[Note 1]
Subsidy for supporting industrial development	342,800,000.00	59,272,000.00	245,303,144.67	156,768,855.33	Other income	[Note 2]
Special fiscal subsidy for matching funds	81,886,913.44	10,228,098.80	17,611,623.09	74,503,389.15	Other income	[Note 3]
Subtotal	468,936,913.44	69,500,098.80	262,914,767.76	275,522,244.48		

Note 1: It is the subsidy for infrastructure construction received by subsidiaries.

Note 2: It is the subsidy for supporting industrial development received by subsidiaries according to relevant agreement signed with the local government.

Note 3: It is the special fiscal subsidy for matching funds of underground parking space received by subsidiaries.

2) Government grants related to income and used to compensate incurred relevant costs, expenses or losses

Items	Amounts	Amounts presented under	Remarks
Fiscal subsidy	122,675,482.54	Other income	[Note]
Others	17,637,224.21	Other income	
Subtotal	140,312,706.75		

Note: It is the fiscal subsidy received by subsidiaries granted from governments at all levels.

(2) In the current period, government grants included into profit or loss totaled 403,227,474.51 yuan.

VI. Changes in the consolidation scope

(I) Business combination not under common control

1. Business combination not under common control in current period

Unit: in ten thousand yuan

Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method
Chongqing Jinzhaoxi Industrial Development Co., Ltd. (the "Chongqing Jinzhaoxi")	1/4/2020	20,391.03	100.00	Equity acquisition
Chongqing Jinzhaoxin Industrial Development Co.,	1/4/2020	17,320.77	100.00	Equity acquisition

Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method
Ltd. (the “Chongqing Jinzhaoxin”)				
Chongqing Xingkun Real Estate Development Co., Ltd. (the “Chongqing Xingkun”)	1/14/2020	61,620.48	100.00	Equity acquisition
Dazhou Jinke Real Estate Development Co., Ltd. (the “Dazhou Jinke”)	4/7/2020	1,240.00	62.00	Equity capital increase
Guizhou Xinjiuheng Real Estate Development Co., Ltd. (the “Guizhou Xinjiuheng”)	3/24/2020	1,040.82	51.00	Equity capital increase
Shenyang Aoyuan Real Estate Development Co., Ltd. (the “Shenyang Aoyuan”)	5/31/2020	101,836.23	100.00	Equity acquisition
Xuzhou Shuoli Real Estate Development Co., Ltd. (the “Xuzhou Shuoli”)	6/29/2020	132,291.67	90.00	Equity acquisition
Jingzhou Xiangjin Property Co., Ltd. (the “Jingzhou Xiangjin”)	9/3/2020	14,203.35	50.10	Equity capital increase
Luoyang Sente Property Co., Ltd. (the “Luoyang Sente”)	4/17/2020	501.00	50.10	Equity acquisition
Fuzhou Huarui Property Co., Ltd. (the “Fuzhou Huarui”)	6/15/2020	8,313.00	51.00	Equity capital increase
Nanchang Maoyuehu Property Co., Ltd. (the “Nanchang Maoyuehu”)	10/14/2020	17,377.58	34.00	Equity capital increase
Shanghai Zhancui Enterprise Management Co., Ltd. (the “Shanghai Zhancui”)	5/12/2020	43,049.32	100.00	Equity acquisition
Shanghai Gongping Enterprise Management Co., Ltd. (the “Shanghai Gongping”)	5/12/2020	11,051.49	100.00	Equity acquisition
Shanghai Xuanxuan Enterprise Management Consulting Co., Ltd. (the “Shanghai Xuanxuan”)	4/7/2020	70,006.30	100.00	Equity acquisition
Shanghai Luomang Enterprise Management Co., Ltd. (the “Shanghai Luomang”)	4/9/2020	24,142.27	100.00	Equity acquisition
Shanghai Ruixi	4/7/2020	56,877.82	100.00	Equity acquisition
Shanghai Qinbao	4/9/2020	15,463.40	100.00	Equity acquisition
Chongqing Hangxing Industrial Co., Ltd. (the “Chongqing Hangxing”)	1/16/2020	4,575.39	100.00	Equity acquisition
Nanjing Xiuyuan Shangliang Equity Investment Partnership Enterprise (LP) (the “Nanjing Xiuyuan”)	4/21/2020		54.974	Equity acquisition
Yantai Jiajing Real Estate Development Co., Ltd. (the “Yantai Jiajing”)	2/10/2020		51.00	Equity capital increase
Ningbo Haishu Heyun Business Information Consulting Co., Ltd. (the “Ningbo Haishu Heyun”)	9/22/2020		100.00	Equity acquisition
Yidu Jinshidai Property Service Co., Ltd. (the “Yidu Jinshidai”)	5/19/2020		100.00	Equity acquisition
Lichuan Zhuangyuangu Property Management Co., Ltd. (the “Lichuan Zhuangyuangu”)	1/9/2020		100.00	Equity acquisition
Xiangyang Kepeng Property Co., Ltd. (the “Xiangyang”)	1/7/2020		51.00	Equity acquisition

Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method
Kepeng ²⁾				
Xianyang Jinjarun Real Estate Development Co., Ltd. (the “Xianyang Jinjarun”)	2/25/2020	16,515.36	100.00	Equity acquisition
(Continued)				
Acquirees	Acquisition date	Determine basis for acquisition date	Acquiree’s income from acquisition date to period end	Acquiree’s net profit from acquisition date to period end
Chongqing Jinzhaoxi	1/4/2020	Transfer date of property right	42.96	-3,484.46
Chongqing Jinzhaoxin	1/4/2020	Transfer date of property right		3.01
Chongqing Xingkun	1/14/2020	Transfer date of property right	29,189.65	6,581.02
Dazhou Jinke	4/7/2020	Transfer date of property right	21.54	-1,129.13
Guizhou Xinjiuheng	3/24/2020	Transfer date of property right	0.04	-958.58
Shenyang Aoyuan	5/31/2020	Transfer date of property right	11,562.08	958.80
Xuzhou Shuoli	6/29/2020	Transfer date of property right		14,238.68
Jingzhou Xiangjin	9/3/2020	Transfer date of property right		-320.02
Luoyang Sente	4/17/2020	Transfer date of property right		-113.10
Fuzhou Huarui	6/15/2020	Transfer date of property right	12.87	-812.71
Nanchang Maoyuehu	10/14/2020	Transfer date of property right	0.16	-1,061.58
Shanghai Zhancui	5/12/2020	Transfer date of property right		-0.04
Shanghai Gongping	5/12/2020	Transfer date of property right		-0.02
Shanghai Xuanxuan	4/7/2020	Transfer date of property right		-0.02
Shanghai Luomang	4/9/2020	Transfer date of property right		0.22
Shanghai Ruixi	4/7/2020	Transfer date of property right		0.68
Shanghai Qinbao	4/9/2020	Transfer date of property right		-40.67
Chongqing Hangxing	1/16/2020	Transfer date of property right	18,573.35	-513.33
Nanjing Xiuyuan	4/21/2020	Transfer date of property right		3,039.24
Yantai Jiajing	2/10/2020	Transfer date of property right	0.03	-760.88
Ningbo Haishu Heyun	9/22/2020	Transfer date of property right		-0.27
Yidu Jinshidai	5/19/2020	Transfer date of property right	168.30	60.50
Lichuan Zhuangyuangu	1/9/2020	Transfer date of property right	55.45	1.71
Xiangyang Kepeng	1/7/2020	Transfer date of property right	29.38	-878.48
Xianyang Jinjarun	2/25/2020	Transfer date of property right	0.12	-3,325.94

2. Combination costs and goodwill

Unit: in ten thousand yuan

Items	Chongqing Jinzhaoxi	Chongqing Jinzhaoxin	Chongqing Xingkun	Dazhou Jinke	Guizhou Xinjiuheng	Shenyang Aoyuan
Combination costs						
Cash	20,391.03	17,320.77	61,620.48	1,240.00	1,040.82	101,836.23
Total combination costs	20,391.03	17,320.77	61,620.48	1,240.00	1,040.82	101,836.23
Less: Share of fair value of net identifiable assets acquired	20,391.03	17,320.77	61,620.48	1,240.00	1,040.82	101,836.23
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

(Continued)

Items	Xuzhou Shuoli	Jingzhou Xiangjin	Luoyang Sente	Fuzhou Huarui	Nanchang Maoyuehu	Chongqing Hangxing
Combination costs						
Cash	132,291.67	14,203.35	501.00	8,313.00	17,377.58	4,575.39
Total combination costs	132,291.67	14,203.35	501.00	8,313.00	17,377.58	4,575.39
Less: Share of fair value of net identifiable assets acquired	132,291.67	14,203.35	501.00	8,313.00	17,377.58	4,575.39
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

(Continued)

Items	Shanghai Zhancui	Shanghai Gongping	Shanghai Xuanxuan	Shanghai Luomang	Shanghai Ruixi	Shanghai Qinbao
Combination costs						
Cash	43,049.32	11,051.49	70,006.30	24,142.27	56,877.82	15,463.40
Total combination costs	43,049.32	11,051.49	70,006.30	24,142.27	56,877.82	15,463.40
Less: Share of fair value of net identifiable assets acquired	43,049.32	11,051.49	70,006.30	24,142.27	56,877.82	15,463.40
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

(Continued)

Items	Nanjing Xiuyuan	Yantai Jiajing	Ningbo Haishu Heyun	Yidu Jinshidai	Lichuan Zhuangyu angu	Xiangyang Kepeng	Xiangyang Jinjarun
Combination costs							
Cash							16,515.36
Total combination costs							16,515.36
Less: Share of fair value of net identifiable assets acquired							16,515.36
Goodwill/Balance of fair value of net identified assets acquired after deducting combination							

Items	Nanjing Xiuyuan	Yantai Jiajing	Ningbo Haishu Heyun	Yidu Jinshidai	Lichuan Zhuangyu angu	Xiangyang Kepeng	Xiangyang Jinjarun
costs							

3. Acquisition-date identifiable assets and liabilities of acquirees

(1) Details

Unit: in ten thousand yuan

Items	Acquisition-date fair value	Acquisition-date carrying amount
Assets	858,721.61	693,421.54
Cash and bank balances	44,400.58	44,400.58
Held-for-trading financial assets	3,510.90	3,510.90
Accounts receivable	18,089.47	18,089.47
Advances paid	5,955.51	5,955.51
Other receivables	18,641.62	18,641.62
Inventories	272,592.41	141,425.50
Other current assets	4,855.77	4,855.77
Debt investments	1,399.00	1,399.00
Long-term equity investments	75,121.14	65,631.95
Investment property	400,240.82	375,596.85
Fixed assets	340.24	340.24
Construction in progress	2,182.67	2,182.67
Intangible assets	23.82	23.82
Long-term prepayments	232.94	232.94
Deferred tax assets	11,134.72	11,134.72
Liabilities	428,849.91	428,849.91
Accounts payable	20,612.64	20,612.64
Advances received	27,519.42	27,519.42
Employee benefits payable	123.98	123.98
Taxes and rates payable	2,270.85	2,270.85
Other payables	287,610.02	287,610.02
Long-term borrowings	35,464.94	35,464.94
Deferred tax liabilities	55,248.06	55,248.06
Net assets	429,871.70	264,571.63
Less: Non-controlling interest	1,608.30	1,608.30
Net assets acquired	428,263.40	262,963.33

(2) Fair value determination method on identifiable assets and liabilities

The acquisition-date fair value of the identifiable assets and liabilities of above acquirees is

mainly determined based on the assessment value on the benchmark date agreed between two parties, or the acquiree's carrying amount on the acquisition date.

(II) Disposal of subsidiaries

One-time disposal involving loss of control over a subsidiary

Subsidiaries	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal method	Loss of control date	Determination basis for loss of control date	Difference between disposal consideration and net assets attributable to the Company at the consolidated financial statements level
Shanghai Zijing	7,220,100.00	2.10	Equity transfer	11/30/2020	Actual transfer of control	3,230,424.30
Chongqing Ruibo Asset Management Consulting Co., Ltd.	10,029,600.00	100.00	Equity transfer	6/22/2020	Actual transfer of control	-1,138,642.52
Jinsong Factoring	25,815,287.10	51.00	Equity transfer	9/16/2020	Actual transfer of control	-619,510.90
Guizhou Longli Jinke Real Estate Development Co., Ltd.	92,780,740.74	50.10	Equity transfer	12/28/2020	Actual transfer of control	25,574,086.02
Shandong Elysee	40,816,320.00	10.00	Equity transfer	12/31/2020	Actual transfer of control	486,353.43

(Continued)

Subsidiaries	Proportion of remaining equity at the loss of control date (%)	Carrying amount of remaining equity at the loss of control date	Fair value of remaining equity at the loss of control date	Gains/Losses on fair value remeasurement of remaining equity	Determination method and major assumption on fair value of remaining equity at the loss of control date	Changes in other comprehensive income/equity related to former subsidiary's equity investment transferred to investment income
Shanghai Zijing	48.00	91,192,587.30	165,030,700.00	73,838,112.70	Reference transaction price	
Chongqing Ruibo Asset Management Consulting Co., Ltd.						
Jinsong Factoring	49.00	25,398,139.25	25,398,139.25		Reference transaction price	
Guizhou Longli Jinke Real Estate Development Co., Ltd.	1.00	1,304,830.07	1,851,851.85	547,021.78	Reference transaction price	
Shandong Elysee	61.00	248,832,528.95	248,832,528.95		Reference transaction price	

(III) Changes in consolidation scope due to other reasons

1. Entities brought into the consolidation scope

Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
重庆金科企业管理集团有限公司 (Chongqing Jinke Enterprise Management Group Co., Ltd.*)	Set up	4/30/2020	5,000,000,000.00	100.00
重庆博悦商业管理有限公司 (Chongqing Boyue Business Management Co., Ltd.*)	Set up	4/17/2020		100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
重庆东钰金房地产开发有限公司 (Chongqing Dogyujin Real Estate Development Co., Ltd.*)	Set up	7/17/2020	105,711,000.00	50.10
重庆金睿源房地产开发有限公司 (Chongqing Jinruiyuan Real Estate Development Co., Ltd.*)	Set up	7/16/2020		100.00
重庆茂烨盛商业管理有限公司 (Chongqing Maoyesheng Business Management Co., Ltd.*)	Set up	3/11/2020		100.00
安徽常骏房地产开发有限公司 (Anhui Changjun Real Estate Development Co., Ltd.*)	Set up	11/2/2020		100.00
重庆隆士京商业管理有限公司 (Chongqing Longshijing Business Management Co., Ltd.*)	Set up	10/20/2020		100.00
重庆汉熙界商业管理有限公司 (Chongqing Hanxijie Business Management Co., Ltd.*)	Set up	10/26/2020		100.00
重庆晶御陵商业管理有限公司 (Chongqing Jingyuling Business Management Co., Ltd.*)	Set up	11/19/2020		100.00
重庆晴照叶商业管理有限公司 (Chongqing Qingzhaoye Business Management Co., Ltd.*)	Set up	11/16/2020		100.00
重庆金卓睿商业管理有限公司 (Chongqing Jinzhuorui Business Management Co., Ltd.*)	Set up	11/5/2020		100.00
重庆博昕商业管理有限公司 (Chongqing Boxin Business Management Co., Ltd.*)	Set up	7/14/2020		100.00
重庆金蒙晟玥置业有限公司 (Chongqing Jinmeng Shengyue Property Co., Ltd.*)	Set up	3/11/2020	20,000,000.00	100.00
自贡金科锦鸿房地产开发有限公司 (Zigong Jinke Jinhong Real Estate Development Co., Ltd.*)	Set up	7/14/2020		100.00
重庆金裕宸房地产开发有限公司 (Chongqing Jinyuchen Real Estate Development Co., Ltd.*)	Set up	9/1/2020	335,500,000.00	55.00
重庆金辰房地产开发有限公司 (Chongqing Jinchen Real Estate Development Co., Ltd.*)	Set up	9/1/2020	20,000,000.00	100.00
贵阳花溪金科房地产开发有限公司 (Guiyang Huaxi	Set up	8/13/2020	50,000,000.00	100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Jinke Real Estate Development Co., Ltd.*)				
贵州金科新光房地产开发有限公司 (Guiyang Jinke Xinguang Real Estate Development Co., Ltd.*)	Set up	5/9/2020		51.00
贵阳清镇市金科房地产开发有限公司 (Guiyang Qingzhen City Jinke Real Estate Development Co., Ltd.*)	Set up	7/30/2020	20,000,000.00	100.00
贵州金科金辰房地产开发有限公司 (Guizhou Jinke Jincheng Real Estate Development Co., Ltd.*)	Set up	9/29/2020	892,500,000.00	51.00
贵阳格远林商贸有限公司 (Guiyang Geyuanlin Trading Co., Ltd.*)	Set up	10/28/2020		100.00
贵州傲智元商贸有限公司 (Guizhou Aozhiyuan Trading Co., Ltd.*)	Set up	10/22/2020		100.00
贵州隆士京商贸有限责任公司 (Guizhou Longshijing Trading Co., Ltd.*)	Set up	10/22/2020		100.00
贵阳捷瑞勋商贸有限公司 (Guiyang Jeruixun Trading Co., Ltd.*)	Set up	10/28/2020		100.00
成都金泰荣房地产开发有限公司 (Chengdu Jintairong Real Estate Development Co., Ltd.*)	Set up	1/6/2020	612,000,000.00	51.00
成都金启盛泽房地产开发有限公司 (Chengdu Jinqi Shengze Real Estate Development Co., Ltd.*)	Set up	3/4/2020	504,000,000.00	60.00
德阳昊越房地产开发有限公司 (Deyang Haoyue Real Estate Development Co., Ltd.*)	Set up	3/24/2020	20,000,000.00	100.00
武胜金昱德房地产开发有限公司 (Wusheng Jinyude Real Estate Development Co., Ltd.*)	Set up	4/1/2020		100.00
渠县金泓盛房地产开发有限公司 (Quxian Jinhongsheng Real Estate Development Co., Ltd.*)	Set up	4/29/2020		99.98
宜宾金彦房地产开发有限公司 (Yibin Jinyan Real Estate Development Co., Ltd.*)	Set up	5/19/2020		99.99
绵阳盛翔润泽房地产开发有限公司 (Jinyang Shengxiang Runze Real Estate Development Co., Ltd.*)	Set up	12/9/2020		60.00
遂宁金弘创新企业管理服务有限公司 (Suining	Set up	5/26/2020		100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Jinhong Innovative Enterprise Management Co., Ltd.*				
廊坊市金骏房地产开发有限公司 (Langfang Jinjun Real Estate Development Co., Ltd.*)	Set up	3/20/2020	400,000,000.00	100.00
唐山金梁昱房地产开发有限公司 (Tangshan Jinliangyu Real Estate Development Co., Ltd.*)	Set up	9/18/2020	214,200,000.00	34.00
沈阳金卓企业管理有限公司 (Shenyang Jinzhuo Enterprise Management Co., Ltd.*)	Set up	4/3/2020		100.00
宜兴科润房地产开发有限公司 (Yixing Kerun Real Estate Development Co., Ltd.*)	Set up	12/24/2020	20,000,000.00	100.00
苏州宸竣房地产开发有限公司 (Suzhou Chenjun Real Estate Development Co., Ltd.*)	Set up	7/7/2020	612,000,000.00	51.00
苏州悦泽房地产开发有限公司 (Suzhou Yuze Real Estate Development Co., Ltd.*)	Set up	8/17/2020	325,436,893.20	100.00
苏州协竣房地产开发有限公司 (Suzhou Xiejun Real Estate Development Co., Ltd.*)	Set up	8/17/2020		100.00
苏州嵘竣房地产开发有限公司 (Suzhou Rongjun Real Estate Development Co., Ltd.*)	Set up	7/14/2020		100.00
亳州金骏房地产开发有限公司 (Haozhou Jinjun Real Estate Development Co., Ltd.*)	Set up	8/17/2020		100.00
南京科晖房地产开发有限公司 (Nanjing Kehui Real Estate Development Co., Ltd.*)	Set up	5/8/2020		100.00
南京金悦置信智能科技有限公司 (Chongqing Jinjue Zhixin Intelligent Technology Co., Ltd.*)	Set up	6/5/2020	600,000,000.00	100.00
江苏金梁商业管理有限公司 (Jiangsu Jinliang Business Management Co., Ltd.*)	Set up	6/16/2020	1,275,000,000.00	51.00
南京科俊房地产开发有限公司 (Nanjing Kejun Real Estate Development Co., Ltd.*)	Set up	7/7/2020	254,184,000.00	34.00
颍上华拓房地产开发有限公司 (Yingshang Huatuo Real Estate Development	Set up	4/2/2020	124,900,348.40	51.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Co., Ltd.*)				
临泉亿启房地产开发有限公司 (Linquan Yiqi Real Estate Development Co., Ltd.*)	Set up	5/6/2020	20,000,000.00	98.61
徐州珺璟房地产开发有限公司 (Xuzhou Junjing Real Estate Development Co., Ltd.*)	Set up	3/2/2020	20,000,000.00	98.30
济宁金科城投产业发展有限公司 (Jining Jinke Urban Construction & Investment Industrial Development Co., Ltd.*)	Set up	6/11/2020	209,101,989.00	51.00
聊城金孟房地产开发有限公司 (Liaocheng Jinmeng Real Estate Development Co., Ltd.*)	Set up	7/3/2020	224,274,540.00	51.00
威海百俊房地产开发有限公司 (Weihai Baijun Real Estate Development Co., Ltd.*)	Set up	6/5/2020		100.00
青岛百俊房地产开发有限公司 (Qingdao Baijun Real Estate Development Co., Ltd.*)	Set up	6/22/2020	226,785,000.00	65.00
日照百俊房地产开发有限公司 (Rizhao Baijun Real Estate Development Co., Ltd.*)	Set up	7/14/2020		100.00
济南俊通房地产开发有限公司 (Jinan Juntong Real Estate Development Co., Ltd.*)	Set up	11/16/2020		80.00
荆州金兴房地产开发有限公司 (Jingzhou Jinxing Real Estate Development Co., Ltd.*)	Set up	1/7/2020		99.93
襄阳金皇房地产开发有限公司 (Xiangyang Jinhuang Real Estate Development Co., Ltd.*)	Set up	3/3/2020		100.00
荆州金钰房地产开发有限公司 (Jingzhou Jinyu Real Estate Development Co., Ltd.*)	Set up	4/17/2020		99.00
武汉金钰房地产开发有限公司 (Wuhan Jinyu Real Estate Development Co., Ltd.*)	Set up	6/2/2020		100.00
宜昌金宏房地产开发有限公司 (Yichang Jinhong Real Estate Development Co., Ltd.*)	Set up	6/4/2020	50,000,000.00	99.89
武汉金锦昭房地产开发有限公司 (Wuhan Jinjinzhao Real Estate Development Co., Ltd.*)	Set up	8/4/2020		100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
武汉卓致商务咨询服务 有限公司 (Wuhan Zhuozhi Business Consulting Service Co., Ltd.*)	Set up	1/8/2020		100.00
郴州弘景房地产开发有 限公司 (Chenzhou Hongjing Real Estate Development Co., Ltd.*)	Set up	1/3/2020	30,000,000.00	60.00
昭通金宸房地产开发有 限公司 (Zhaotong Jinchen Real Estate Development Co., Ltd.*)	Set up	7/22/2020	177,136,349.25	51.00
昆明金越房地产开发有 限公司 (Kunming Jinyue Real Estate Development Co., Ltd.*)	Set up	8/10/2020		100.00
玉溪金弘房地产开发有 限公司 (Yuxi Jinhong Real Estate Development Co., Ltd.*)	Set up	10/9/2020		100.00
广西平南金科美好置业有 限责任公司 (Guangxi Pingnan Jinke Meihao Property Co., Ltd.*)	Set up	4/13/2020		97.39
广西贵港金科美好置业有 限责任公司 (Guangxi Guigang Jinke Meihao Property Co., Ltd.*)	Set up	4/27/2020		99.46
南宁金晟晖投资发展有限 责任公司 (Nanning Jinshenghui Investment & Development Co., Ltd.*)	Set up	5/27/2020		100.00
南宁市金盈晖房地产开发 有限公司 (Nanning Jinyinghui Real Estate Development Co., Ltd.*)	Set up	6/10/2020		99.54
广西北流市金科美好置业 有限责任公司 (Guangxi Beiliu City Jinke Meihao Property Co., Ltd.*)	Set up	8/11/2020	70,000,000.00	60.00
南宁市新晟金泓房地产开 发有限公司 (Nanning Xinsheng Jinhong Real Estate Development Co., Ltd.*)	Set up	10/19/2020	59,670,000.00	65.00
南阳金郡房地产开发有限 公司 (Nanyang Jinjun Real Estate Development Co., Ltd.*)	Set up	2/26/2020	49,746,000.00	99.49
新乡市金梁置业有限公司 (Xinxiang Jinliang Property Co., Ltd.*)	Set up	8/5/2020	58,000,000.00	100.00
巩义市金上百世置业有限 公司 (Gongyi Jinshang Baishi Property Co., Ltd.*)	Set up	8/4/2020	30,000,000.00	55.00
广州金博企业咨询有限公 司 (Guangzhou Jinbo Enterprise Consulting Co.,	Set up	7/24/2020		100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Ltd.*)				
佛山市顺德区金瀚房地产开发有限公司 (Foshan Shunde Jinhan Real Estate Development Co., Ltd.*)	Set up	5/9/2020	30,000,000.00	99.93
佛山市顺德区金硕房地产开发有限公司 (Foshan Shunde Jinshuo Real Estate Development Co., Ltd.*)	Set up	5/7/2020	30,000,000.00	99.33
惠州市鑫簇新永企业咨询有限公司 (Huizhou Xincu Xinyong Enterprise Consulting Co., Ltd.*)	Set up	7/24/2020		100.00
广州鑫珂泽永房地产开发有限公司 (Guangzhou Xinke Zeyong Real Estate Development Co., Ltd.*)	Set up	8/20/2020	501,000,000.00	50.10
广州鑫锐昌恒房地产开发有限公司 (Guangzhou Xinrui Changheng Real Estate Development Co., Ltd.*)	Set up	12/23/2020		100.00
赣州金通房地产开发有限公司 (Ganzhou Jintong Real Estate Development Co., Ltd.*)	Set up	3/31/2020	253,050,000.00	100.00
温州金瑶置业有限公司 (Wenzhou Jinyao Property Co., Ltd.*)	Set up	5/25/2020	156,600,000.00	60.00
浙江嘉兴金乾房地产开发有限公司 (Zhejiang Jiaying Jinqian Real Estate Development Co., Ltd.*)	Set up	5/25/2020	10,000,000.00	100.00
绍兴金翎置业有限公司 (Shaoxing Jinling Property Co., Ltd.*)	Set up	6/18/2020	1,612,620,000.00	51.00
固安金科产业园开发有限公司 (Gu'an Jinke Industrial Zone Development Co., Ltd.*)	Set up	8/11/2020	50,000,000.00	100.00
山西金科鸿途房地产开发有限公司 (Shanxi Jinke Hongtu Real Estate Development Co., Ltd.*)	Set up	9/9/2020	85,000,000.00	85.00
金科(海南)产城融合发展有限公司 (Jinke (Hainan) City-Industry Integration Development Co., Ltd.*)	Set up	9/10/2020	14,000,000.00	70.00
重庆庆宇建筑材料有限公司 (Chongqing Qingyu Construction Material Co., Ltd.*)	Set up	5/28/2020	10,000,000.00	100.00
上海金科商业管理有限公司 (Shanghai Jinke Business Management Co., Ltd.*)	Set up	6/28/2020		100.00
Chongqing Aizhihai	Set up	4/3/2020		80.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
重庆爱臻海商业管理有限公司 (Chongqing Aizhenhai Business Management Co., Ltd.*)	Set up	4/3/2020	2,805,000.00	51.00
重庆金科弘骏商业管理有限公司 (Chongqing Jinke Hongjun Business Management Co., Ltd.*)	Set up	12/14/2020		100.00
重庆金科乐汇商业管理有限公司 (Chongqing Jinke Lehui Business Management Co., Ltd.*)	Set up	11/24/2020		100.00
上海和金建筑设计咨询有限公司 (Shanghai Hejin Architectural Design Consulting Co., Ltd.*)	Set up	7/17/2020		100.00
重庆庆越装饰工程有限公司 (Chongqing Qingyue Decoration Engineering Co., Ltd.*)	Set up	3/18/2020		100.00
贵州金科晨阳物业服务服务有限公司 (Guizhou Jinke Chenyang Property Service Co., Ltd.*)	Set up	1/7/2020		51.00
金科森首 (重庆) 物业服务服务有限公司 (Jinke Senzhou (Chongqing) Property Service Co., Ltd.*)	Set up	1/6/2020		51.00
山东金科兰宝威物业管理服务有限公司 (Shandong Kelan Baowei Property Service Co., Ltd.*)	Set up	3/20/2020		51.00
夏邑县金科同创物业服务服务有限公司 (Xiayi Jinke Tongchuang Property Service Co., Ltd.*)	Set up	4/17/2020	510,000.00	51.00
湖北金科馨园物业管理有限责任公司 (Hubei Jinke Xinyuan Property Service Co., Ltd.*)	Set up	4/29/2020		51.00
昌都市金科昌达物业服务服务有限公司 (Changdu Jinke Changda Property Service Co., Ltd.*)	Set up	4/29/2020		51.00
宜都金麟物业服务服务有限公司 (Yidu Jinlin Property Service Co., Ltd.*)	Set up	6/19/2020		100.00
四川金拓物业服务服务有限公司 (Sichuan Jintuo Property Service Co., Ltd.*)	Set up	5/26/2020	510,000.00	51.00
河南金科尚博物业服务服务有限公司 (He'nan Jinke Shangbo Property Service Co., Ltd.*)	Set up	7/20/2020		51.00
贵州金科永盛物业服务服务有限公司 (Guizhou Jinke Yongsheng Property Service Co., Ltd.*)	Set up	8/27/2020		51.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
西双版纳金智物业服务 有限公司 (Xishuangbanna Jinshi Property Service Co., Ltd.*)	Set up	8/14/2020		51.00
贵州金科勇创物业管理有 限公司 (Guizhou Jinke Yongchuang Property Service Co., Ltd.*)	Set up	7/17/2020		51.00
山东金灏物业服务有限公 司 (Shandong Jinhao Property Service Co., Ltd.*)	Set up	7/13/2020		70.00
长沙金科和悦物业服务有 限公司 (Changsha Jinke Heyue Property Service Co., Ltd.*)	Set up	8/19/2020	120,000.00	60.00
三门峡市金科祥龙物业服 务有限公司 (Sanmenxia Jinke Xianglong Property Service Co., Ltd.*)	Set up	9/8/2020	510,000.00	51.00
河南锦绣金科物业服务有 限公司 (He'nan Jinxiu Jinke Property Service Co., Ltd.*)	Set up	9/29/2020	510,000.00	51.00
青岛金鸿城市服务有限公 司 (Qingdao Jinhong Urban Service Co., Ltd.*)	Set up	6/15/2020	153,000.00	51.00
江苏金科智慧城市服务有 限公司 (Jiangsu Jinke Smart Urban Service Co., Ltd.*)	Set up	11/18/2020		100.00
金科管家物业服务 (青岛) 有限公司 (Jinke Housekeeper Property Service (Qingdao) Co., Ltd.*)	Set up	11/2/2020		55.00
广西金科管家智慧物业服 务有限公司 (Guangxi Jinke Housekeeper Smart Property Service Co., Ltd.*)	Set up	11/26/2020		55.00
金科宁环 (宁夏) 智慧城 市运营管理有限公司 (Jinke Ninghuan (Ningxia) Smart Urban Operation & Management Co., Ltd.*)	Set up	11/13/2020		40.00
江西金科宏鼎智能科技有 限公司 (Jiangxi Jinke Hongding Intelligent Technology Co., Ltd.*)	Set up	9/22/2020		51.00
四川金商汇物业服务有限 公司 (Sichuan Jinshanghui Property Service Co., Ltd.*)	Set up	11/18/2020		51.00
金科金首 (重庆) 企业服 务有限公司 (Jinke Jinshou (Chongqing) Enterprise Service Co., Ltd.*)	Set up	1/10/2020		51.00
重庆悦亿仁人力资源服务 有限公司 (Chongqing Yueyiren HR Service Co.,	Set up	7/29/2020	5,000,000.00	100.00

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Ltd.*)				
山东金科浩霖停车管理有限公司 (Shandong Jinke Haolin Parking Management Co., Ltd.*)	Set up	7/14/2020		51.00
重庆鑫生悦传媒有限公司 (Chongqing Xinshengyue Media Co., Ltd.*)	Set up	8/27/2020	2,000,000.00	100.00
金易房(重庆)企业管理有限公司 (Jinyifang (Chongqing) Enterprise Management Co., Ltd.*)	Set up	9/1/2020		100.00
重庆昊生金商务信息咨询有限公司 (Chongqing Haoshengjin Business Information Consulting Co., Ltd.*)	Set up	10/15/2020		100.00
成都世科酒店管理有限公司 (Chengdu Shike Hotel Management Co., Ltd.*)	Set up	12/28/2020		85.00
苏州科睿酒店管理有限公司 (Suzhou Kerui Hotel Management Co., Ltd.*)	Set up	12/30/2020		85.00
无锡科博酒店管理有限公司 (Wuxi Kebo Hotel Management Co., Ltd.*)	Set up	12/29/2020		85.00
重庆都科圣嘉酒店管理有限公司 (Chongqing Duke Shengjia Hotel Management Co., Ltd.*)	Set up	11/10/2020		100.00
重庆科振酒店管理有限公司 (Chongqing Kezhen Hotel Management Co., Ltd.*)	Set up	12/29/2020		85.00
重庆市开州区臻科酒店管理有限公司 (Chongqing Kaizhou Zhenke Hotel Management Co., Ltd.*)	Set up	12/28/2020		85.00
重庆市永川区科茂瑞晶酒店管理有限公司 (Chongqing Yongchuan Kemaoruijing Hotel Management Co., Ltd.*)	Set up	10/10/2020		100.00
重庆星原体育文化传播有限公司 (Chongqing Xingyuan Sports Culture Media Co., Ltd.*)	Set up	12/29/2020		100.00
重庆金科早安物业服务服务有限公司 (Chongqing Jinke Zao'an Property Service Co., Ltd.*)	Set up	12/28/2020		51.00
四川金科鼎睿物业服务服务有限公司 (Sichuan Jinke Dingrui Property Service Co., Ltd.*)	Set up	12/25/2020		36.00
常德市宏韵房地产开发有限公司 (Changde Hongyun Real Estate Development	Set up	12/31/2020		100.00

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Entities Co., Ltd.*)	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
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2. Entities excluded from the consolidation scope

Entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to disposal date
Beijing Jinke Deyuan	[Note]	6/28/2020	257,446,340.47	-2,756,560.02
Hefei Jinjun Meihe	[Note]	11/16/2020	959,101,468.68	-28,004,249.62
Changzhou Jinchun	[Note]	10/31/2020	844,997,132.73	-17,744,411.51
Chongqing Jinmeiyuan	[Note]	12/11/2020	943,292,972.92	-84,856,653.67
Beijing Jinke Jinbi	[Note]	7/1/2020	1,403,925,936.83	-6,180,002.60
Xinmi Shouli	[Note]	10/16/2020	-8,177,081.37	-7,691,317.03
Chongqing Jinyuhui	[Note]	11/25/2020	712,542,031.00	-25,061,722.38
Hunan Jingzhao	[Note]	12/31/2020	265,440,307.23	-59,720,913.16
成都金泽房地产开发有限公司 (Chengdu Jinze Real Estate Development Co., Ltd.*)	Cancellation	7/30/2020		-685.02
辽宁金科实业发展有限公司 (Liaoning Jinke Industrial Development Co., Ltd.*)	Cancellation	12/8/2020		-19,673.35
江阴金科房地产开发有限公司 (Jiangyin Jinke Real Estate Development Co., Ltd.*)	Cancellation	10/27/2020		110,591.42
广州金泽天永投资有限公司 (Guangzhou Jinze Tianyong Investment Co., Ltd.*)	Cancellation	8/25/2020		224.52
深圳金科泽大置业有限公司 (Shenzhen Jinke Zeda Property Co., Ltd.*)	Cancellation	7/1/2020		-120,212.98
深圳金鑫商业咨询服务服务有限公司 (Shenzhen Jinxin Business Consulting Service Co., Ltd.*)	Cancellation	5/13/2020		2,774.23
湖北金科财智经营管理服务有限公司 (Hubei Jinke Caizhi Operation & Management Co., Ltd.*)	Cancellation	10/13/2020		
宜昌市金科商汇商业管理有限公司 (Yichang Jinke Shanghui Business Management Co., Ltd.*)	Cancellation	3/25/2020		192.75

Note: The Company lost control as a result of capital increase by non-controlling shareholders or relevant supplementary agreements, and gains on fair value remeasurement of the remaining equity amounted to 114,093,180.72 yuan.

* The English names are for identification purpose only.

VII. Interest in other entities

(I) Interest in significant subsidiaries

1. Composition of significant subsidiaries

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
重庆金科汇茂房地产开发有限公司 (Chongqing Jinke Huimao Real Estate Development Co., Ltd.* , the “Huimao Real Estate”)	Chongqing	No. 8, Fengqi Road, Caijiagang Town, Beibei District, Chongqing	Real estate industry		100.00	Set up
重庆金科兆基房地产开发有限公司 (Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.* , the “Jinke Zhaoji”)	Chongqing	Room 12, Floor 3, 3-3, No. 1 Chunhui South Road, Dadukou District, Chongqing	Real estate industry		55.00	Set up
无锡恒远地产有限公司 (Wuxi Hengyuan Real Estate Co., Ltd.*)	Wuxi	Room 501, Lihu Building, No. 168 Lihu Avenue, Wuxi, Jiangsu	Real estate industry		99.89	Equity transfer
陕西金润达房地产开发有限公司 (Shaanxi Jinrunda Real Estate Development Co., Ltd.* , the “Shaanxi Jinrunda”)	Xi’an	Room 101, Sales Department, Jinke World City, Tongwen Road, Fengxi Xincheng, Xixian New District, Xi’an, Shanxi	Real estate industry	51.00		Set up
Wuhan Jinke	Wuhan	Store G6-10, Qingcheng Huafu, Heping Street, Hongshan District, Wuhan, Hubei	Real estate industry	59.85		Set up

2. Significant not wholly-owned subsidiaries

Unit: in ten thousand yuan

Subsidiaries	Holding proportion of non-controlling interest (%)	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
Jinke Zhaoji	45.00	36,594.83		72,035.97
Shaanxi Jinrunda	49.00	41,518.46		46,744.93
Wuhan Jinke	40.15	26,363.26		117,479.56

3. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Unit: in ten thousand yuan

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jinke Zhaoji	216,306.94	121.17	216,428.11	49,841.28	6,506.89	56,348.17
Shaanxi Jinrunda	317,974.86	17.47	317,992.33	240,356.16	2,646.51	243,002.67
Wuhan Jinke	1,213,264.12	1,542.13	1,214,806.25	922,198.54	13,038.26	935,236.80

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jinke Zhaoji	463,175.60	264.72	463,440.32	365,566.02	19,116.21	384,682.23
Shaanxi Jinrunda	449,029.95	2,631.88	451,661.83	381,015.56	59,980.00	440,995.56
Wuhan Jinke	1,232,317.49	18,726.24	1,251,043.73	882,104.52	142,000.00	1,024,104.52

(2) Profit or loss and cash flows

Unit: in ten thousand yuan

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Jinke Zhaoji	329,795.78	81,321.84	81,321.84	4,706.58	76,497.32	10,322.86	10,322.86	-13,733.87
Shaanxi Jinrunda	210,646.55	64,323.39	64,323.39	280.16	118,542.00	14,725.44	14,725.44	-1,389.92
Wuhan Jinke	264,262.63	52,630.23	52,630.23	46,586.45	16.42	-10,031.29	-10,031.29	-342,599.63

(II) Transactions resulting in changes in subsidiaries' equity but without losing control

1. Changes in subsidiaries' equity

Subsidiaries	Date of change	Holding proportion before change	Holding proportion after change
Huimao Real Estate	11/13/2020	59.8206%	99.8206%
柳州金明柳房地产开发有限公司 (Liuzhou Jinmingliu Real Estate Development Co., Ltd.*, the "Liuzhou Jinmingliu")	5/7/2020	58.8869%	98.8869%
Jinke Services	[Note 1]	75.00%	52.325246%
宜宾市金北房地产开发有限公司 (Yibin Jinbei Real Estate Development Co., Ltd.*, the "Yibin Jinbei")	9/30/2020	100.00%	60.00%

Note 1: On June 8, 2020, Jinke Services entered into a capital increase agreement with non-controlling shareholders, agreeing non-controlling shareholders to increase capital by 478,051,858.00 yuan (of which, 44,527,500.00 yuan was included into paid-in capital and 433,524,358.00 yuan was included into capital reserve), and the Company's holding proportion over Jinke Services was changed from 75.00% to 68.32%; on November 17, 2020, the Company's holding subsidiary Jinke Services applied to list on the Main Board of the Stock Exchange of Hong Kong Ltd. as a spin-off entity, issuing a total of 132,911,400.00 H shares; on December 15, 2020, Jinke Services issued an additional 19,936,700.00 H shares to the public at the issue price of the IPO, and the Company's holding proportion over Jinke Services was changed from 68.32% to 52.33%.

2. Effect of transactions on non-controlling interest and equity attributable to parent company

* The English names are for identification purpose only.

Items	Huimao Real Estate	Liuzhou Jinmingliu	Jinke Services	Yibin Jinbei
Acquisition costs/Disposal considerations				
Cash	915,497,000.00	848,786,500.00		
Total acquisition costs/disposal considerations	915,497,000.00	848,786,500.00		
Less: Share in subsidiaries' net assets based on acquired/ disposed net assets proportion	866,328,177.67	651,925,444.61	2,994,355,806.92	63,162,000.00
Balance	49,168,822.33	196,861,055.39	-2,994,355,806.92	-63,162,000.00
Including: Capital reserve adjusted	-49,168,822.33	-196,861,055.39	2,994,355,806.92	63,162,000.00

(III) Interest in joint venture or associates

1. Significant joint ventures or associates

The Management considers that the Company has no significant joint ventures and associates.

2. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/ Current period cumulative	Opening balance [Note]/Preceding period comparative
Joint ventures		
Total carrying amount of investments	9,857,696,704.47	6,208,726,362.80
Proportionate shares in the following items		
Net profit	1,455,038,679.21	440,475,598.33
Other comprehensive income	11,211,962.46	7,813,153.67
Total comprehensive income	1,466,250,641.67	448,288,752.00
Associates		
Total carrying amount of investments	15,036,193,110.75	7,557,621,234.88
Proportionate shares in the following items		
Net profit	-152,424,576.15	-111,254,581.42
Other comprehensive income		
Total comprehensive income	-152,424,576.15	-111,254,581.42

Please refer to section III (XXXV) 1 (1) of notes to financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

3. Unrecognized commitments related to investments in joint ventures

The Company will provide operation funds to joint ventures in accordance with the development progress of projects as stipulated in joint venture agreement.

VIII. Risks related to financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. The Management has deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

(2) Definition of default and credit-impaired assets

A financial asset is credit-impaired when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

- 3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to section V (I) 3, 4, 5, 7, 9 and 11 of the notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instruments.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers using credit settlement on a regular basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company's credit risks fall into several business partners and customers, as of December 31 2020, 38.66% (December 31, 2019: 30.81%) of the total accounts receivable was due from the five largest customers of the Company. The Company has no significant central credit risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, trust loans, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks and trust institutions to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Unit: in ten thousand yuan

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	8,082,515.81	9,034,529.96	3,366,275.92	5,096,919.02	571,335.02
Notes payable	569,522.41	569,522.41	569,522.41		
Accounts payable	2,856,827.31	2,856,827.31	2,856,827.31		
Other payables	2,605,815.51	2,605,815.51	2,232,158.71	373,656.80	
Bonds payable	1,733,013.48	1,936,488.21	642,133.71	869,260.20	425,094.30
Long-term payables	64,234.39	77,125.40	9,450.76	20,644.77	47,029.87
Subtotal	15,911,928.91	17,080,308.80	9,676,368.82	6,360,480.79	1,043,459.19

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	7,951,078.98	8,904,657.62	3,220,444.27	5,264,727.34	419,486.01
Notes payable	750,232.77	750,232.77	750,232.77		
Accounts payable	2,354,850.06	2,354,850.06	2,354,850.06		
Other payables	1,742,680.26	1,742,680.26	1,416,884.40	325,795.86	
Bonds payable	1,891,423.40	2,067,606.62	635,520.73	1,228,789.23	203,296.66
Long-term payables	135,387.51	175,522.60	24,042.29	32,079.24	119,401.07
Subtotal	14,825,652.98	15,995,549.93	8,401,974.52	6,851,391.67	742,183.74

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of December 31, 2020, balance of borrowings with interest accrued at floating interest rate totaled 47,609,339,700 yuan (December 31, 2019: 46,850,315,400 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity will not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. The Company is mainly operated in mainland China, whose main activities are denominated in RMB, hence, the Company bears insignificant market risk arising from foreign exchange changes.

Please refer to section V (IV) 2 of notes to financial statements for details on foreign currency financial assets and liabilities at the end of the period.

IX. Fair value disclosure

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Held-for-trading financial assets			68,613,590.00	68,613,590.00
2. Receivables financing			68,613,590.00	68,613,590.00
3. Other equity instrument investments			68,613,590.00	68,613,590.00
4. Investment property		13,565,748,140.35		13,565,748,140.35
Total liabilities at recurring fair value measurement	344,479,910.69	13,565,748,140.35	193,434,504.42	14,103,662,555.46

(II) Basis for determining level 1 fair value at recurring and non-recurring fair measurement

The fair value is determined by unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

(III) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

As all the Company's investment properties are commercial real estate and affiliated garages, of which the cost cannot reflect fair value, cost method is not adopted. Based on the actual situation of investment properties, for small commercial properties, as there is active trading market nearby and it is easy to find transaction examples of similar real estates, market method is adopted for valuation; for big commercial properties with no similar transaction examples, as there is active leasing market nearby and some leased buildings are under long-term lease contracts, income method is adopted for valuation.

(IV) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. Held-for-trading financial assets were mainly financial products held by the Company. The fair value is estimated by discounting future cash flows calculated using an agreed expected rate of return;

2. For notes receivable held, the par value is used to determine the fair value;

3. For other equity instrument investments of which the unadjusted quoted prices in active markets are not available at the measurement date, as there is no significant changes in operating environment and conditions, and financial position of the investees in the current period, the Company uses carrying amount of investment costs as a reasonable estimate of the fair value.

X. Related party relationships and transactions

(I) Related party relationships

1. Major shareholders

Shareholders	Place of registration	Business nature
重庆市金科投资控股（集团）有限责任公司 (Chongqing Jinke Investment Holdings (Group) Co., Ltd.*, the “Jinke Investment”)	No. 38, Hefeng Avenue, Xincheng District, Fuling, Chongqing	Investment business and investment management consulting services
广东弘敏企业管理咨询有限公司 (Guangdong Hongmin Enterprise Management Consulting Co., Ltd.*, the “Guangdong Hongmin”)	102 C, Building D, No. 1, Western Yingfeng Road, Rucheng Town, Ruyuan County	Enterprise management consulting services; economic and business consulting services; financial consulting services; marketing management services; conference, exhibition and related services
天津聚金物业管理有限公司 (Tianjin Jujin Property Management Co., Ltd.*, the “Tianjin Jujin”)	No. 8, Xinghua Seventh Branch Road, Xiqing Economic Development Zone, Tianjin	Property management and related infrastructure development, construction and operation management

(Continued)

Shareholders	Registered capital (in ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)	Remarks
Jinke Investment	5,000			[Note 1]
Guangdong Hongmin	1,000			[Note 2]
Tianjin Jujin	600			[Note 3]

Note 1: As of December 31, 2020, Jinke Investment, 黄红云 (Huang Hongyun), 陶虹遐 (Tao Hongxia) and 黄斯诗 (Huang Sishi) respectively hold 14.20%, 10.98%, 2.49%, 2.32% equity of the Company. Huang Hongyun and Tao Hongxia together hold 100% equity of Jinke Investment. In addition, Tao Hongxia and Huang Sishi are the persons acting in concert with Huang Hongyun. As these three persons directly and indirectly hold 1,601,515,668 shares, which is 29.99% equity of the Company in total, and have majority seats in the Board of Directors. Therefore, Huang Hongyun is the Company’s actual controller.

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Note 2: Pursuant to the “Share Transfer Agreement” entered into between Guangdong Hongmin and the former major shareholder Tianjin Jujin, Guangdong Hongmin acquired 587,368,740 shares of the Company held by Tianjin Jujin at a price of 8 yuan per share, accounting for 11% of the total share capital of the Company, and procedures for registration of change relevant to such transfer were completed on May 19, 2020. As of December 31, 2020, 红星家具集团有限公司 (Red Star Furniture Group Co., Ltd.*) and Guangdong Hongmin held a total of 589,558,968 shares of the Company, with an aggregate holding proportion of 11.04%. The actual controller of Red Star Furniture Group Co., Ltd. is Mr. 车建兴 (Che Jianxing).

Note 3: The former shareholders Tianjin Jujin, 天津润泽物业管理有限公司 (Tianjin Runze Property Management Co., Ltd.*, the “Tianjin Runze”) and 天津润鼎物业管理有限公司 (Tianjin Runding Property Management Co., Ltd.*, the “Tianjin Runding”) issued the “Simplified Report on Change in Equity” on April 15, May 8, May 15 and May 22, 2020, respectively, and reduced their holding shares of the Company through agreement transfers and bulk transactions respectively. Their total holding proportion was reduced from 29.35% to 4.99%. After the completion of the reduction, the above shareholders no longer hold more than 5% of the Company’s shares.

2. Please refer section VII of notes to financial statements for details on the Company’s subsidiaries.

3. Joint ventures and associates of the Company

(1) Joint ventures and associates

Please refer to section VII of notes to financial statements for details on the Company’s significant joint ventures and associates. Except for the joint ventures and associates disclosed in V (I) 12, details of other joint ventures or associates carrying out related party transactions with the Company in current period or in preceding period but with balance in current period are as follows:

Joint ventures or associates	Relationships with the Company
重庆金江联房地产开发有限公司 (Chongqing Jinjianglian Real Estate Development Co., Ltd.*, the “Chongqing Jinjianglian”)	Joint venture
重庆盛牧房地产开发有限公司 (Chongqing Shengmu Real Estate Development Co., Ltd.*, the “Chongqing Shengmu”)	Joint venture
重庆市碧金辉房地产开发有限公司 (Chongqing Bijinhui Real Estate Development Co., Ltd.*, the “Chongqing Bijinhui”)	Joint venture
重庆美城金房地产开发有限公司 (Chongqing Meichengjin Real Estate Development Co., Ltd.*, the “Chongqing Meicheng”)	Joint venture

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Joint ventures or associates	Relationships with the Company
重庆市碧嘉逸房地产开发有限公司 (Chongqing Bijiyai Real Estate Development Co., Ltd.*, the “Chongqing Bijiyai”)	Joint venture
重庆美科房地产开发有限公司 (Chongqing Meike Real Estate Development Co., Ltd.*, the “Chongqing Meike”)	Joint venture
重庆金南盛唐房地产开发有限公司 (Chongqing Jinnan Shengtang Real Estate Development Co., Ltd.*, the “Chongqing Jinnan Shengtang”)	Joint venture
重庆金嘉海房地产开发有限公司 (Chongqing Jinjiahai Real Estate Development Co., Ltd.*, the “Chongqing Jinjiahai”)	Joint venture
重庆金碧辉房地产开发有限公司 (Chongqing Jinbihui Real Estate Development Co., Ltd.*, the “Chongqing Jinbihui”)	Joint venture
重庆金美碧房地产开发有限公司 (Chongqing Jinmeibi Real Estate Development Co., Ltd.*, the “Chongqing Jinmeibi”)	Joint venture
重庆金碧茂置业有限公司 (Chongqing Jinbimao Property Co., Ltd.*, the “Chongqing Jinbimao”)	Joint venture
重庆中梁永昇房地产开发有限公司 (Chongqing Zhongliang Yongsheng Real Estate Development Co., Ltd.*, the “Chongqing Zhongliang Yongsheng”)	Associate
重庆盈泰汇泽置业有限公司 (Chongqing Yingtai Huize Property Co., Ltd.*, the “Chongqing Yingtai Huize”)	Joint venture
重庆盈泰博远置业有限公司 (Chongqing Yingtai Boyuan Property Co., Ltd.*, the “Chongqing Yingtai Boyuan”)	Joint venture
重庆雄森实业有限公司 (Chongqing Xionsen Industrial Co., Ltd.*, the “Chongqing Xionsen”)	Joint venture
重庆西部消费扶贫产业发展有限公司 (Chongqing Western Consumption Poverty Alleviation Industry Development Co., Ltd.*, the “Western Consumption”)	Associate
遵义市美骏房地产开发有限公司 (Zunyi Meijun Real Estate Development Co., Ltd.*, the “Zunyi Meijun”)	Associate
重庆景焕金置业有限公司 (Chongqing Jinghuanjin Property Co., Ltd.*, the “Chongqing Jinghuanjin”)	Associate
重庆奥航房地产开发有限公司 (Chongqing Aohang Real Estate Development Co., Ltd.*, the “Chongqing Aohang”)	Associate
重庆汇典三色教育信息咨询服务服务有限公司 (Chongqing Huidian Tricolor Education Information Consulting Service Co., Ltd.*, the “Huidian Tricolor”)	Associate
重庆西道房地产开发有限公司 (Chongqing Xidao Real Estate Development Co., Ltd.*, the “Chongqing Xidao”)	Joint venture
重庆西联锦房地产开发有限公司 (Chongqing Xilianjin Real Estate Development Co., Ltd.*, the “Chongqing Xilianjin”)	Joint venture
重庆金悦汇房地产开发有限责任公司 (Chongqing Jinyuehui Real Estate Development Co., Ltd.*, the “Chongqing Jinyuehui”)	Associate
重庆金嘉美房地产开发有限公司 (Chongqing Jinjiamei Real Estate Development Co., Ltd.*, the “Chongqing	Associate

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Joint ventures or associates	Relationships with the Company
Jinjiamei”)	
重庆金永禾房地产开发有限公司 (Chongqing Jinyonghe Real Estate Development Co., Ltd.* , the “Chongqing Jinyonghe”)	Associate
重庆金宇洋房地产开发有限公司 (Chongqing Jinyuyang Real Estate Development Co., Ltd.* , the “Chongqing Jinyuyang”)	Associate
重庆品锦悦房地产开发有限公司 (Chongqing Pinjinyue Real Estate Development Co., Ltd.* , the “Chongqing Jinyuyang”)	Joint venture
重庆美宸房地产开发有限公司 (Chongqing Meichen Real Estate Development Co., Ltd.* , the “Chongqing Meichen”)	Associate
重庆金悦佳教育科技有限公司 (Chongqing Jinyuejia Education Technology Co. , Ltd.* , the “Jinyuejia Education”)	Associate
重庆金宸锦宇房地产开发有限公司 (Chongqing Jinchen Jinyu Real Estate Development Co., Ltd.* , the “Chongqing Jinchen Jingyu”)	Associate
Yinhai Lease	Associate
重庆市金科杰夫教育科技有限公司 (Chongqing Jinke Jiefu Education Technology Co., Ltd.* , the “Jinke Jiefu”)	Associate
重庆韦成置业有限公司 (Chongqing Weicheng Property Co., Ltd.* , the “Chongqing Weicheng”)	Associate
重庆金奕辉房地产开发有限公司 (Chongqing Jinyihui Real Estate Development Co., Ltd.* , the “Chongqing Jinyihui”)	Associate
重庆金熙健康管理有限公司 (Chongqing Jinxi Health Management Co., Ltd.* , the “Chongqing Jinxi Health”)	Joint venture
漯河市昌建融联置业有限公司 (Luohe Changjian Ronglian Property Co., Ltd.* , the “Luohe Changjian Ronglian”)	Joint venture
驻马店市碧盛置业有限公司 (Zhumadian Bisheng Property Co., Ltd.* , the “Zhumadian Bisheng”)	Joint venture
巩义市金耀百世置业有限公司 (Gongyi Jinyao Baishi Property Co., Ltd.* , the “Gongyi Jinyao Baishi”)	Associate
南阳中梁城通置业有限公司 (Nanyang Zhongliang Chengtong Property Co., Ltd.* , the “Nanyang Zhongliang Chengtong”)	Associate
商丘新航置业有限公司 (Shangqiu Xinhang Property Co., Ltd.* , the “Shangqiu Xinhang”)	Associate
安阳昌建房地产有限公司 (Anyang Changjian Real Estate Co., Ltd.* , the “Anyang Changjian”)	Joint venture
洛阳都利置业有限公司 (Luoyang Duli Property Co., Ltd.* , the “Luoyang Duli”)	Joint venture
周口碧天置业有限公司 (Zhoukou Bitian Property Co., Ltd.* , the “Zhoukou Bitian”)	Joint venture
巩义市碧欣置业有限公司 (Gongyi BixinProperty Co., Ltd.* , the “Gongyi Bixin Property”)	Associate

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Joint ventures or associates	Relationships with the Company
郑州悦韵房地产开发有限公司 (Zhengzhou Yueyun Real Estate Development Co., Ltd.*, the “Zhengzhou Yueyun”)	Associate
郑州千上置业有限公司 (Zhengzhou Qianshang Property Co., Ltd.*, the “Qianshang Property”)	Joint venture
郑州远威企业管理咨询有限公司 (Zhengzhou Yuanwei Enterprise Management Consulting Co., Ltd.*, the “Yuanwei Consulting”)	Joint venture
郑州梁瑞房地产开发有限公司 (Zhengzhou Liangrui Real Estate Development Co., Ltd.*, the “Zhengzhou Liangrui”)	Associate
义乌市联祥置业有限公司 (Yiwu Lianxiang Property Co., Ltd.*, the “Yiwu Lianxiang”)	Joint venture
兰溪中梁龙置业有限公司 (Lanxi Zhonglianglong Property Co., Ltd.*, the “Lanxi Zhongliang”)	Associate
杭州金渝房地产开发有限公司 (Hangzhou Jinyu Real Estate Development Co., Ltd.*, the “Hangzhou Jinyu”)	Associate
温州市歌旻置业有限公司 (Wenzhou Geyang Property Co., Ltd.*, the “Wenzhou Yang Ge”)	Associate
杭州滨昕企业管理有限公司 (Hangzhou Binxin Enterprise Management Co., Ltd.*, the “Hangzhou Binxin”)	Associate
温州市梁逸置业有限公司 (Wenzhou Liangyi Property Co., Ltd.*, the “Wenzhou Liangyi”)	Associate
长沙金淳佳房地产开发有限公司 (Changsha Jinchunjia Real Estate Development Co., Ltd.*, the “Changsha Jinchunjia”)	Joint venture
Changsha Jinzhao	Joint venture
张家港东峻房地产开发有限公司 (Zhangjiagang Dongjun Real Estate Development Co., Ltd.*, the “Zhangjiagang Dongjun”)	Associate
云南彰泰房地产开发有限公司 (Yunnan Zhangtai Real Estate Development Co., Ltd.*, the “Yunnan Zhangtai”)	Associate
云南金嘉房地产开发有限公司 (Yunnan Jinjia Real Estate Development Co., Ltd.*, the “Yunnan Jinjia”)	Associate
云南诚鼎房地产开发有限公司 (Yunnan Chengding Real Estate Development Co., Ltd.*, the “Yunnan Chengding”)	Joint venture
南宁金泓盛房地产开发有限公司 (Nanning Jinhongsheng Real Estate Development Co., Ltd.*, the “Nanning Jinhongsheng”)	Associate
南宁融创世承置业有限公司 (Nanning Sunac Shicheng Property Co., Ltd.*, the “Nanning Sunac”)	Associate
柳州同鑫房地产开发有限公司 (Liuzhou Tongxin Real Estate Development Co., Ltd.*, the “Liuzhou Tongxin”)	Associate
云南嘉逊房地产开发有限公司 (Yunnan Jiaxun Real Estate Development Co., Ltd.*, the “Yunnan Jiaxun”)	Associate
Yunnan Jinhongya	Associate
广西盛灿房地产开发有限公司 (Guangxi Shengcan Real Estate Development Co., Ltd.*, the “Guangxi Shengcan”)	Joint venture
广西唐鹏投资有限公司 (Guangxi Tangpeng Investment	Joint venture

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Joint ventures or associates	Relationships with the Company
Co., Ltd.*, the “Guangxi Tangpeng”)	
玉溪金科骏辉房地产开发有限公司 (Yuxi Jinke Junhui Real Estate Development Co., Ltd.*, the “Yuxi Jinke Junhui”)	Associate
玉林市龙河碧桂园房地产开发有限公司 (Yulin Longhe Country Garden Real Estate Development Co., Ltd.*, the “Yulin Longhe”)	Joint venture
重庆昆翔誉棠房地产开发有限公司 (Chongqing Kunxiang Yutang Real Estate Development Co., Ltd.*, the “Kunxiang Yutang”)	Joint venture
宜兴百俊房地产开发有限公司 (Yixing Baijun Real Estate Development Co., Ltd.*, the “Yixing Baijun”)	Associate
雅安海纳房地产开发有限公司 (Ya’an Haina Real Estate Development Co., Ltd.*, the “Ya’an Haina”)	Associate
许昌金耀房地产有限公司 (Xuchang Jinyao Real Estate Co., Ltd.*, the “Xuchang Jinyao”)	Joint venture
徐州美科房地产发展有限公司 (Xuzhou Meike Real Estate Development Co., Ltd.*, the “Xuzhou Meike”)	Associate
徐州梁旭置业有限公司 (Xuzhou Liangxu Property Co., Ltd.*, the “Xuzhou Liangxu”)	Associate
宿迁梁悦房地产开发有限公司 (Suqian Liangyue Real Estate Development Co., Ltd.*, the “Suqian Liangyue”)	Associate
宿迁市通金弘置业有限公司 (Suqian Tongjinhong Property Co., Ltd.*, the “Suqian City Tongjinhong”)	Joint venture
信阳金绍置业有限公司 (Xinyang Jinshao Property Co., Ltd.*, the “Xinyang Jinshao”)	Associate
信阳昌豫房地产开发有限公司 (Xinyang Changyu Real Estate Development Co., Ltd.*, the “Xinyang Changyu”)	Joint venture
Xinmi Shouli	Joint venture
襄阳金珏房地产开发有限公司 (Xiangyang Jinjue Real Estate Development Co., Ltd.*, the “Xiangyang Jinjue”)	Associate
雅安金宏房地产开发有限公司 (Ya’an Jinhong Real Estate Development Co., Ltd.*, the “Ya’an Jinhong”)	Associate
成都领跑房地产开发有限公司 (Chengdu Lingpao Real Estate Development Co., Ltd.*, the “Chengdu Lingpao”)	Joint venture
成都市盛部房地产开发有限公司 (Chengdu Shengbu Real Estate Development Co., Ltd.*, the “Chengdu Shengbu”)	Associate
成都怡置星怡房地产开发有限公司 (Chengdu Yizhi Xingyi Real Estate Development Co., Ltd.*, the “Chengdu Yizhi Xingyi”)	Joint venture
武汉业锦房地产开发有限公司 (Wuhan Yejin Real Estate Development Co., Ltd.*, the “Wuhan Yejin”)	Joint venture
武汉业硕房地产开发有限公司 (Wuhan Yeshuo Real Estate Development Co., Ltd.*, the “Wuhan Yeshuo”)	Joint venture
温州景容置业有限公司 (Wenzhou Jingrong Property Co., Ltd.*, the “Wenzhou Jingrong”)	Associate
宁波恒香企业管理咨询咨询有限公司 (Ningbo Hengxiang Enterprise Management Consulting Co., Ltd.*, the “Ningbo Hengxiang”)	Associate

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Joint ventures or associates	Relationships with the Company
重庆威斯勒建设有限公司 (Chongqing Whistler Construction Co., Ltd.* , the “Chongqing Whistler”)	Joint venture
天津阳光城金科房地产开发有限公司 (Tianjin Sunshine City Jinke Real Estate Development Co., Ltd.* , the “Tianjin Sunshine City Jinke”)	Associate
天津嘉博房地产开发有限公司 (Tianjin Jiabo Real Estate Development Co., Ltd.* , the “Tianjin Jiabo”)	Associate
苏州卓竣房地产开发有限公司 (Suzhou Zhuojun Real Estate Development Co., Ltd.* , the “Suzhou Zhuojun”)	Associate
苏州正诺房地产开发有限公司 (Suzhou Zhengnuo Real Estate Development Co., Ltd.* , the “Suzhou Zhengnuo”)	Associate
苏州骁竣房地产开发有限公司 (Suzhou Xiaojun Real Estate Development Co., Ltd.* , the “Suzhou Xiaojun”)	Associate
苏州天宸房地产开发有限公司 (Suzhou Tianchen Real Estate Development Co., Ltd.* , the “Suzhou Tianchen”)	Associate
苏州金峤房地产开发有限公司 (Suzhou Jinqiao Real Estate Development Co., Ltd.* , the “Suzhou Jinqiao”)	Joint venture
Shanghai Zijing	Associate
Shijiazhuang Tianyao	Joint venture
石家庄金科房地产开发有限公司 (Shijiazhuang Jinke Real Estate Development Co., Ltd.* , the “Shijiazhuang Jinke”)	Joint venture
沈阳骏瀚房地产开发有限公司 (Shenyang Junhan Real Estate Development Co., Ltd.* , the “Shenyang Junhan”)	Joint venture
沈阳富禹天下房地产开发有限公司 (Shenyang Fuyu Tianxia Real Estate Development Co., Ltd.* , the “Shenyang Fuyu Tianxia”)	Joint venture
上饶市科颂置业有限公司 (Shangrao Kesong Property Co., Ltd.* , the “Shangrao Kesong”)	Joint venture
陕西金恒瑞房地产开发有限公司 (Shaanxi Jinhengrui Real Estate Development Co., Ltd.* , the “Shaanxi Jinhengrui”)	Associate
山西金科太行物业服务有限公司 (Shanxi Jinke Taihang Property Service Co., Ltd.* , the “Shanxi Jinke Taihang”)	Associate
青岛恒美置业有限公司 (Qingdao Hengmei Property Co., Ltd.* , the “Qingdao Hengmei”)	Joint venture
邳州益华房地产开发有限公司 (Pizhou Yihua Real Estate Development Co., Ltd.* , the “Pizhou Yihua”)	Joint venture
宁波市旭拓商务管理有限公司 (Ningbo Xutuo Business Management Co., Ltd.* , the “Ningbo Xutuo Management”)	Associate
内江市金宸智慧物业服务有限公司 (Neijiang Jinchen Smart Property Service Co., Ltd.* , the “Jinchen Smart Property”)	Associate
海安市百俊房地产开发有限公司 (Hai’an Baijun Real Estate Development Co., Ltd.* , the “Hai’an Baijun”)	Associate
海门港华置业有限公司 (Haimen Ganghua Property Co., Ltd.* , the “Haimen Ganghua”)	Associate
南宁金鸿祥辉房地产开发有限公司 (Nanning Jinhongxianghui Real Estate Development Co., Ltd.* , the	Associate

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Joint ventures or associates	Relationships with the Company
“Nanning Jinhongxianghui”	
广西淼泰房地产投资有限公司 (Guangxi Miaotai Real Estate Investment Co., Ltd.*, the “Guangxi Miaotai”)	Associate
南宁市玉桶金房地产开发有限责任公司 (Nanning Yutongjin Real Estate Development Co., Ltd.*, the “Nanning Yutongjin”)	Associate
南宁晴洲房地产开发有限公司 (Nanning Qingzhou Real Estate Development Co., Ltd.*, the “Nanning Qingzhou”)	Joint venture
Nanning Yaoxin	Joint venture
句容市锐翰房地产开发有限公司 (Jurong Ruihan Real Estate Development Co., Ltd.*, the “Jurong Ruihan”)	Joint venture
南充恒量房地产开发有限公司 (Nanchong Hengliang Real Estate Development Co., Ltd.*, the “Nanchong Hengliang”)	Associate
漯河市鸿耀置业有限公司 (Luohe Hongyao Property Co., Ltd.*, the “Luohe Hongyao”)	Joint venture
滨州宝驰置业有限公司 (Binzhou Baochi Property Co., Ltd.*, the “Binzhou Baochi”)	Joint venture
潍坊德利信房地产开发有限公司 (Weifang Delixin Real Estate Development Co., Ltd.*, the “Weifang Delixin”)	Associate
泰安金旻华房地产开发有限公司 (Tai’an Jinyanghua Real Estate Development Co., Ltd.*, the “Tai’an Jinyanghua”)	Associate
聊城荣舜房地产开发有限公司 (Liaocheng Rongshun Real Estate Development Co., Ltd.*, the “Liaocheng Rongshun”)	Associate
青岛世茂博玺置业有限公司 (Qingdao Shimao Boxi Property Co., Ltd.*, the “Qingdao Shimao Boxi”)	Joint venture
柳州鹿寨金润房地产开发有限公司 (Liuzhou Luzhai Jinrun Real Estate Development Co., Ltd.*, the “Liuzhou Luzhai Jinrun”)	Joint venture
临泉县嘉润房地产开发有限公司 (Linquan Jiarun Real Estate Development Co., Ltd.*, the “Linquan Jialun”)	Associate
重庆市金科骏志房地产开发有限公司 (Chongqing Jinke Junzhi Real Estate Development Co., Ltd.*, the “Jinke Junzhi”)	Joint venture
重庆蓝波湾置业有限公司 (Chongqing Lanbo Bay Property Co., Ltd.*, the “Chongqing Lanbo Bay”)	Joint venture
兰溪鸿科置业有限公司 (Lanxi Hongke Property Co., Ltd.*, the “Lanxi Hongke”)	Joint venture
昆明梁辉置业有限公司 (Kunming Lianghui Property Co., Ltd.*, the “Kunming Lianghui”)	Associate
重庆蜀宸房地产开发有限公司 (Chongqing Shuchen Real Estate Development Co., Ltd.*, the “Chongqing Shuchen”)	Associate
重庆泰骏房地产开发有限公司 (Chongqing Taijun Real Estate Development Co., Ltd.*, the “Chongqing Taijun”)	Associate
九江华地金达房地产有限公司 (Jiujiang Huadi Jinda Real Estate Co., Ltd.*, the “Jiujiang Huadi”)	Joint venture

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Joint ventures or associates	Relationships with the Company
九江金美房地产开发有限公司 (Jiujiang Jinmei Real Estate Development Co., Ltd.*, the “Jiujiang Jinmei”)	Joint venture
Jinsong Factoring	Associate
Longli Tianchen	Joint venture
江西省金科财富物业服务有限公司 (Jiangxi Jinke Fortune Property Service Co., Ltd.*, the “Fortune Property”)	Associate
上饶市悦盛房地产开发有限公司 (Shangrao Yuesheng Real Estate Development Co., Ltd.*, the “Shangrao Yuesheng”)	Associate
南昌金骏房地产开发有限公司 (Nanchang Jinjun Real Estate Development Co., Ltd.*, the “Nanchang Jinjun”)	Associate
吉安金晨房地产开发有限公司 (Ji’an Jincheng Real Estate Development Co., Ltd.*, the “Ji’an Jincheng”)	Associate
南昌金旭房地产开发有限公司 (Nanchang Jinxu Real Estate Development Co., Ltd.*, the “Nanchang Jinxu”)	Joint venture
新安县建成房地产开发有限公司 (Xin’an Jiancheng Real Estate Development Co., Ltd.*, the “Xin’an Jiancheng”)	Joint venture
嘉兴金雅房地产开发有限公司 (Jiaxing Jinya Real Estate Development Co., Ltd.*, the “Jiaxing Jinya”)	Associate
嘉善盛泰置业有限公司 (Jiashan Shengtai Property Co., Ltd.*, the “Jiashan Shengtai”)	Joint venture
嘉善天宸房地产开发有限公司 (Jiashan Tianchen Real Estate Development Co., Ltd.*, the “Jiashan Tianchen”)	Joint venture
吉安金颂房地产开发有限公司 (Ji’an Jinsong Real Estate Development Co., Ltd.*, the “Ji’an Jinsong”)	Joint venture
岳阳县鼎岳房地产开发有限公司 (Yueyang Dingyue Real Estate Development Co., Ltd.*, the “Yueyang Dingyue”)	Associate
佛山市金集房地产开发有限公司 (Foshan Jinji Real Estate Development Co., Ltd.*, the “Foshan Jinji”)	Joint venture
泉州弘光房地产开发有限公司 (Quanzhou Hongguang Real Estate Development Co., Ltd.*, the “Quanzhou Hongguang”)	Associate
常州天宸房地产开发有限公司 (Changzhou Tianchen Real Estate Development Co., Ltd.*, the “Changzhou Tianchen”)	Associate
常州百俊房地产开发有限公司 (Changzhou Baijun Real Estate Development Co., Ltd.*, the “Changzhou Baijun”)	Joint venture
宿州新城金悦房地产开发有限公司 (Suzhou New City Jinyue Real Estate Development Co., Ltd.*, the “Suzhou New City Jinyue”)	Associate
太仓卓润房地产开发有限公司 (Taicang Zhuorun Real Estate Development Co., Ltd.*, the “Taicang Jorun”)	Joint venture
南京裕鸿房地产开发有限公司 (Nanjing Yuhong Real Estate Development Co., Ltd.*, the “Nanjing Yuhong”)	Joint venture
南京金俊房地产开发有限公司 (Nanjing Jinjun Real Estate Development Co., Ltd.*, the “Nanjing Jinjun”)	Associate
句容市金嘉润房地产开发有限公司 (Jurong Jinjiarun	Associate

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Joint ventures or associates	Relationships with the Company
Real Estate Development Co., Ltd.*, the “Jurong Jinjiarun”)	
安庆金世祥房地产开发有限公司 (Anqing Jinshixiang Real Estate Development Co., Ltd.*, the “Anqing Jinshixiang”)	Associate
合肥市碧合房地产开发有限公司 (Hefei Bihe Real Estate Development Co., Ltd.*, the “Hefei Bihe”)	Joint venture
合肥昌恩房地产开发有限公司 (Hefei Chang'en Real Estate Development Co., Ltd.*, the “Hefei Chang'en”)	Associate
镇江金弘房地产开发有限公司 (Zhenjiang Jinhong Real Estate Development Co., Ltd.*, the “Zhenjiang Jinhong”)	Associate
天津市创良投资管理有限公司 (Tianjin Chuangliang Investment Management Co., Ltd.*, the “Chuangliang Investment”)	Joint venture
邯郸荣凯房地产开发有限公司 (Handan Rongkai Real Estate Development Co., Ltd.*, the “Handan Rongkai”)	Associate
石家庄金辉房地产开发有限公司 (Shijiazhuang Jinhui Real Estate Development Co., Ltd.*, the “Shijiazhuang Jinhui”)	Joint venture
沈阳梁铭房地产开发有限公司 (Shenyang Liangming Real Estate Development Co., Ltd.*, the “Shenyang Liangming”)	Associate
衡阳市鼎衡房地产开发有限公司 (Hengyang Dingheng Real Estate Development Co., Ltd.*, the “Hengyang Dingheng”)	Associate
常德市鼎业房地产开发有限公司 (Changde Dingye Real Estate Development Co., Ltd.*, the “Changde Dingye”)	Associate
华容碧城房地产开发有限公司 (Huarong Bicheng Real Estate Development Co., Ltd.*, the “Huarong Bicheng”)	Associate
Hunan Jingzhao	Joint venture
宜都交投金纬房地产开发有限公司 (Yidu Jiaotou Jinwei Real Estate Development Co., Ltd.*, the “Yidu Jiaotou Jinwei”)	Associate
湖北交投金科物业服务有限公司 (Hubei Jiaotou Jinke Property Service Co., Ltd.*, the “Hubei Jiaotou Jinke Property”)	Joint venture
湖北交投海陆景随州置业开发有限公司 (Hubei Jiaotou Hailujing Suizhou Property Development Co., Ltd.*, the “Hubei Hailujing Suizhou”)	Associate
湖北交投海陆景编钟置业开发有限公司 (Hubei Jiaotou Hailujing Chimes Property Development Co., Ltd.*, the “Hubei Hailujing Chimes”)	Associate
湖北交投海陆景炎帝置业开发有限公司 (Hubei Jiaotou Hailujing Yandi Property Development Co., Ltd.*, the “Hubei Hailujing Yandi”)	Associate
河南金上百世置业有限公司 (Henan Jinshang Baishi Property Co., Ltd.*, the “Jinshang Baishi”)	Joint venture
河南中书置业有限公司 (Henan Zhongshu Property Co., Ltd.*, the “Zhongshu Property”)	Joint venture
合肥德源房地产开发有限公司 (Hefei Deyuan Real	Associate

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Joint ventures or associates	Relationships with the Company
Estate Development Co., Ltd.* , the “Hefei Deyuan”)	
重庆肃品房地产开发有限公司 (Chongqing Supin Real Estate Development Co., Ltd.* , the “Chongqing Supin”)	Associate
桂林盈盛房地产开发有限公司 (Guilin Yingsheng Real Estate Development Co., Ltd.* , the “Guilin Yingsheng”)	Joint venture
贵港悦桂房地产开发有限公司 (Guigang Yuegui Real Estate Development Co., Ltd.* , the “Guigang Yuegui”)	Joint venture
贵港世茂置业发展有限公司 (Guigang Shimao Property Development Co., Ltd.* , the “Guigang Shimao”)	Associate
广州鑫泽集永房地产开发有限公司 (Guangzhou Xinze Jiyong Real Estate Development Co., Ltd.* , the “Guangzhou Xinze Jiyong”)	Associate
广西乾汛禄建筑装饰工程有限公司 (Guangxi Qianxunlu Construction Decoration Engineering Co., Ltd.* , the “Guangxi Qianxunlu”)	Associate
广西元嘉投资有限公司 (Guangxi Yuanjia Investment Co., Ltd.* , the “Guangxi Yuanjia”)	Associate
广西元善投资有限公司 (Guangxi Yuanshan Investment Co., Ltd.* , the “Guangxi Yuanshan”)	Associate
阜阳瑞湖置业有限公司 (Fuyang Ruihu Property Co., Ltd.* , the “Fuyang Ruihu”)	Associate
福建希尔顿假日大酒店有限公司 (Fujian Hilton Holiday Hotel Co., Ltd.* , the “Fujian Hilton”)	Joint venture
前海博通 (Qianhai Botong (Shenzhen) Fund Management Co., Ltd.* , the “Qianhai Botong”)	Associate
大连弘坤实业有限公司 (Dalian Hongkun Industrial Co., Ltd.* , the “Dalian Hongkun”)	Joint venture
大连金泓基房地产开发有限公司 (Dalian Jinhongji Real Estate Development Co., Ltd.* , the “Dalian Jinhongji”)	Joint venture
重庆科世金置业有限公司 (Chongqing Keshijin Property Co., Ltd.* , the “Chongqing Keshijin”)	Associate
城口县金科迎红巴渝民宿有限公司 (Chengkou Jinke Yinghong Bayu B&B Co., Ltd.* , the “Chengkou Yinghong”)	Joint venture
成都辰攀置业有限公司 (Chengdu Chenpan Property Co., Ltd.* , the “Chengdu Chenpan”)	Associate
常州金科房地产开发有限公司 (Changzhou Jinke Real Estate Development Co., Ltd.* , the “Changzhou Jinke”)	Joint venture
Beijing Jinke Deyuan	Joint venture
安徽科建物业服务服务有限公司 (Anhui Kejian Property Service Co., Ltd.* , the “Anhui Kejian Property”)	Joint venture
成都国色天乡旅游投资有限公司 (Chengdu Guose Tianxiang Tourism Investment Co., Ltd.* , the “Guose Tianxiang”)	[Note 1]
成都国色天乡商业经营管理有限公司 (Chengdu Guose Tianxiang Business Management Co., Ltd.* , the “Guoxie Business Management”)	[Note 1]
成都建洋同璟装饰工程有限公司 (Chengdu Jianfeng Tongjing Decoration Co., Ltd.* , the “Chengdu Jianfeng”)	[Note 1]

* The English names are for identification purpose only.

Joint ventures or associates	Relationships with the Company
Chongqing Runtian	[Note 2]
五家渠金科房地产开发有限公司 (Wujiaqu Jinke Real Estate Development Co., Ltd.*, the “Wujiaqu Jinke”)	Associate [Note 3]
新疆金科宇泰房地产开发有限公司 (Xinjiang Jinke Yutai Real Estate Development Co., Ltd.*, the “Jinke Yutai”)	Associate [Note 3]
新疆金科坤泰房地产开发有限公司 (Xinjiang Jinke Kuntai Real Estate Development Co., Ltd.*, the “Jinke Kuntai”)	Associate [Note 3]
邯郸梁瑞房地产开发有限公司 (Handan Liangrui Real Estate Development Co., Ltd.*, the “Handan Liangrui”)	The wholly-owned subsidiary of the associate Zhengzhou Liangrui
雅安圣域房地产开发有限公司 (Ya’an Sanctuary Real Estate Development Co., Ltd.*, the “Ya’an Sanctuary”)	The wholly-owned subsidiary of the associate Ya’an Haina
乐清市梁品置业有限公司 (Yueqing Liangpin Property Co., Ltd.*, the “Yueqing Liangpin”)	The wholly-owned subsidiary of the associate Wenzhou Liangyi
温州市凯壹置业有限公司 (Wenzhou Kaiyi Property Co., Ltd.*, the “Wenzhou Kaiyi”)	The wholly-owned subsidiary of the associate Wenzhou Geyang
沈阳骏宇房地产开发有限公司 (Shenyang Junyu Real Estate Development Co., Ltd.*, the “Shenyang Junyu”)	The wholly-owned subsidiary of the associate Tianjin Jiabo
温州荣耀置业有限公司 (Wenzhou Glory Property Co., Ltd.*, the “Wenzhou Glory”)	The wholly-owned subsidiary of the associate Ningbo Hengxiang
遂宁川达房地产开发有限公司 (Suining Chuanda Real Estate Development Co., Ltd.*, the “Suining Chuanda”)	The wholly-owned subsidiary of the associate Nanchong Hengliang
重庆金科金教育信息咨询服务股份有限公司 (Chongqing Jinke Golden Education Information Consulting Service Co., Ltd.*, the “Jinken Golden Education”)	The wholly-owned subsidiary of the associate Jinke Jiefu
杭州德信朝阳置业有限公司 (Hangzhou Dexin Chaoyang Property Co., Ltd.*, the “Hangzhou Dexin”)	The wholly-owned subsidiary of the associate Hangzhou Kaican
温岭滨锦房地产开发有限公司 (Wenling Binjin Real Estate Development Co., Ltd.*, the “Wenling Binjin”)	The wholly-owned subsidiary of the associate Hangzhou Binxin
广州景誉房地产开发有限公司 (Guangzhou Jingyu Real Estate Development Co., Ltd.*, the “Guangzhou Jingyu”)	The wholly-owned subsidiary of the associate Guangzhou Xinze Jiyong
河南中建锦伦置业有限公司 (Henan Zhongjian Jinlun Property Co., Ltd.*, the “Zhongjian Jinlun”)	The holding subsidiary of the joint venture Yuanwei Consulting
上海珑竣房地产开发有限公司 (Shanghai Longjun Real Estate Development Co., Ltd.*, the “Shanghai Longjun”)	The wholly-owned subsidiary of the joint venture Suzhou Jinqiao
成都连康投资有限公司 (Chengdu Liankang Investment Co., Ltd.*, the “Chengdu Liankang”)	The holding subsidiary of the joint venture Jinke Zhixin
成都云途旅游资源开发有限公司 (Chengdu Yuntu Tourism Resources Development Co., Ltd.*, the “Chengdu Yuntu”)	The holding subsidiary of the joint venture Jinke Zhixin
Changsha Jingke	The wholly-owned subsidiary of the joint venture Jinke Jingzhao
Zhuzhou Jingke	The wholly-owned subsidiary of the joint venture Jinke Jingzhao
泗水金孟泉房地产开发有限公司 (Sishui Jinqingquan Real Estate Development Co., Ltd.*, the “Sishui Jinqingquan”)	The holding subsidiary of the joint venture Ji’nan Jinqingda Real Estate Development Co., Ltd.* 济南金孟达房地产开发有限公司

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Joint ventures or associates	Relationships with the Company
大连丰茂置业有限公司 (Dalian Fengmao Property Co., Ltd.*, the “Dalian Fengmao”)	The holding subsidiary of the joint venture Dalian Hongkun
大连润誉房地产开发有限公司 (Dalian Runyu Real Estate Development Co., Ltd.*, the “Dalian Runyu”)	The holding subsidiary of the joint venture Dalian Hongkun
天津骏业共创置业有限公司 (Tianjin Junye Gongchuang Property Co., Ltd.*, the “Tianjin Junye”)	The wholly-owned subsidiary of the joint venture Chuangliang Investment

Note 1: It is the original holding subsidiary of the joint venture Jinke Zhixin, which lost control over this entity since September 30, 2020.

Note 2: Please refer to section V (I) 21 (2) of notes to financial statements for details.

Note 3: Its shares are held by 重庆市中科控股有限公司 (Chongqing Zhongke Holdings Co., Ltd.*, the “Zhongke Holdings”), which is controlled by 黄一峰 (Huang Yifeng), the brother of the Company’s actual controller Huang Hongyun.

4. Other related parties of the Company

Other related parties	Relationships with the Company
Zhongke Holdings	[Note 1]
重庆中科建设（集团）有限公司 (Chongqing Zhongke Construction (Group) Co., Ltd.*, the “Zhongke Group”)	[Note 1]
重庆市恒昇大业建设工程有限公司 (Chongqing Hengsheng Daye Construction Co., Ltd.*, the “Hengsheng Construction”, renamed from 重庆市神龙建设工程有限公司 (Chongqing Shenlong Construction Co., Ltd.*))	[Note 1]
重庆美坤实业有限公司 (Chongqing Meikun Industrial Co., Ltd.*, the “Meikun Industrial”)	[Note 1]
新疆金科宇坤房地产开发有限公司 (Xinjiang Jinke Yukun Real Estate Development Co., Ltd.*, the “Jinke Yukun”)	[Note 1]
重庆中科置地有限公司 (Chongqing Zhongke Real Estate Co., Ltd.*, the “Zhongke Real Estate”)	[Note 1]
重庆齐祥房地产开发有限公司 (Chongqing Qixiang Real Estate Development Co., Ltd.*, the “Chongqing Qixiang”)	[Note 1]
重庆展禾农业发展有限公司 (Chongqing Zhanhe Agriculture Development Co., Ltd.*, the “Zhanhe Agriculture”)	[Note 1]
重庆涪商投资控股集团股份有限公司 (Chongqing Fushang Investment Holding Group Co., Ltd.*, the “Fushang Investment”)	[Note 1]
重庆黔鹏物业管理有限公司 (Chongqing Qianpeng Property Management Co., Ltd.*, the “Qianpeng Property”)	[Note 1]
红星美凯龙控股集团有限公司 (Red Star Macalline Holding Group Co., Ltd.*, the “Macalline Holding”)	[Note 2]
Shanghai Red Star Mecalline	[Note 2]
Guangdong Hongmao	[Note 2]

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Other related parties	Relationships with the Company
上海爱琴海商业集团股份有限公司 (Shanghai Aegean Commercial Group Co., Ltd.*, the “Shanghai Aegean”)	[Note 2]
红星美凯龙家居集团股份有限公司 (Red Star Macalline Group Corporation Ltd.*, the “Red Star Macalline”)	[Note 2]
无锡红星美凯龙国际家具装饰有限公司 (Wuxi Red Star Macalline International Furniture & Decoration Co., Ltd.*, the “Wuxi Red Star Macalline”)	[Note 2]
长沙红星美凯龙国际家居艺术博览中心有限公司 (Changsha Red Star Macalline International Home Art Expo Center Co., Ltd.*, the “Changsha Red Star Macalline”)	[Note 2]
宁波龙红影院管理有限公司 (Ningbo Longhong Cinema Management Co., Ltd.*, the “Ningbo Longhong”)	[Note 2]
昆明红星美凯龙置业有限公司 (Kunming Red Star Macalline Real Estate Co., Ltd.*, the “Kunming Red Star Macalline”)	[Note 2]
昆明红星太平洋影院管理有限公司 (Kunming Red Star Pacific Cinema Management Co., Ltd.*, the “Kunming Red Star Pacific”)	[Note 2]
重庆红星美凯龙企业发展有限公司 (Chongqing Red Star Macalline Enterprise Development Co., Ltd.*, the “Chongqing Red Star Macalline”)	[Note 2]
重庆星璨爱琴海企业管理有限公司 (Chongqing Xingcan Aegean Enterprise Management Co., Ltd.*, the “Chongqing Xingcan”)	[Note 2]
江苏苏南建筑安装工程有限公司 (Jiangsu Su’nan Construction & Installation Co., Ltd.*, the “Su’nan Construction”)	[Note 2]
重庆佩芸企业管理咨询有限责任公司 (Chongqing Peiyun Enterprise Management Consulting Co., Ltd.*, the “Chongqing Peiyun”)	[Note 3]
无锡融创城市建设有限公司 (Wuxi Sunac Urban Construction Co., Ltd.*, the “Wuxi Sunac Construction”)	[Note 4]
无锡融创地产有限公司 (Wuxi Sunac Real Estate Co., Ltd.*, the “Wuxi Sunac Real Estate”)	[Note 4]
天津金福顺企业管理合伙企业 (有限合伙) (Tianjin Jinfushun Enterprise Management Partnership (LP)*, the “Tianjin Jinfushun”)	[Note 5]
天津卓越金和管理咨询合伙企业 (有限合伙) (Tianjin Zhuoyue Jinhe Management Consulting Partnership (LP)*, the “Tianjin Zhuoyue Jinhe”)	[Note 5]
Chongqing Hangxing	[Note 6]
Chongqing Xingkun	[Note 6]
重庆新宜汇实业有限公司 (Chongqing Xinyihui Industrial Co., Ltd.*, the “Chongqing Xinyihui”)	[Note 7]
重庆两江新区科易小额贷款有限公司 (Chongqing Liangjiang New District Keyi Microfinance Co., Ltd.*, the “Keyi Microfinance”)	Controlled by the Company’s actual controller
重庆市金科商业保理有限公司 (Chongqing Jinke	Controlled by the Company’s actual controller

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Other related parties	Relationships with the Company
Commercial Factoring Co., Ltd.*, the “Jinke Commercial Factoring”)	
重庆财聚投资有限公司 (Chongqing Caiju Investment Co., Ltd.*, the “Caiju Investment”)	Controlled by the Company’s actual controller
重庆市金科金融保理有限公司 (Chongqing Jinke Financial Factoring Co., Ltd.*, the “Jinke Financial Factoring”)	Controlled by the Company’s actual controller
刘静 (Liu Jing)	Director of the Company
俞跃临 (Yu Yuelin)	Spouse of the Director 王洪飞 (Wang Hongfei)
方明富 (Fan Mingfu), 陈中容 (Chen Zhongrong)	Vice President and his spouse
艾国光 (Ai Guoguang)	Father of the former supervisor 艾兆青 (Ai Zhaoqing)
何蓉 (He Rong)	Spouse of Employee Supervisor 韩翀 (Han Chong)
李晓燕 (Li Xiaoyan), 喻焕楚 (Yu Huanchu)	Spouse and son of the former President 喻林强 (Yu Linqiang)
李锦 (Li Jin)	Son of 李华 (Li Hua), Executive Vice President and Chief Financial Officer
Tao Hongxia	Person acting in concert with the actual controller
Huang Sishi	Person acting in concert with the actual controller
黄帅钧 (Huang Shuaijun)	Immediate family member of the actual controller

Note 1: It is directly or indirectly controlled by Mr. Huang Yifeng, who is the brother of Company’s actual controller Mr. Huang Hongyun.

Note 2: It is controlled by the actual controller of the Company’s major shareholder Guangdong Hongmin.

Note 3: It is controlled by the spouse of 蒋思海 (Jiang Sihai), the Company’s Honorary Chairman.

Note 4: It is controlled by the actual controller of the Company’s former major shareholder Tianjin Jujin.

Note 5: It is the partnership jointly invested by directors and senior executives of the Company for project investment.

Note 6: It is originally controlled by the immediate family member and the person who acts in concert with the Company’s actual controller, which becomes the Company’s subsidiary due to equity acquisition. Please refer to section X (II) 8 of notes to financial statements for details.

Note 7: It is controlled by Ms. Tao Hongxia, the person who acts in concert with the Company’s

actual controller.

(II) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

(1) Purchase of goods and receiving of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Qianpeng Property	Receiving of services	1,056,603.77	1,150,943.40
Chongqing Shengmu	Receiving of services	70,346.20	
Zhongke Group	Receiving of services	11,572,707.43	
Chongqing Aohang	Purchase of goods	93,790.38	
Chongqing Jinjiahe	Purchase of goods	363,357.13	
Chongqing Xionsen	Purchase of goods	178,991.15	
Western Consumption	Purchase of goods	366.97	
Kunxiang Yutang	Purchase of goods	99,149.68	
Su'nan Construction	Receiving of services	1,800,000.00	
Chongqing Hangxing	Purchase of goods		134,276,381.11
Subtotal		15,235,312.71	135,427,324.51

(2) Sale of goods and rendering of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Hefei Jinjun Meihe	Sale of goods and rendering of services	10,445,410.47	
Jiashan Tianchen	Sale of goods and rendering of services	11,181,715.77	12,394,783.03
Chongqing Jinjiahe	Sale of goods and rendering of services	89,681,776.00	247,780,333.97
Chongqing Xidao	Sale of goods and rendering of services	36,234,768.80	16,252,108.09
Luohe Changjian Ronglian	Sale of goods and rendering of services	4,136,264.48	2,549,920.39
Linquan Jiarun	Sale of goods and rendering of services	93,811,298.19	18,031,209.75
Jinshang Baishi	Sale of goods and rendering of services	67,343,771.79	11,078,988.19
Chongqing Xilianjin	Sale of goods and rendering of services	22,051,533.78	20,497,957.83
Ya'an Sanctuary	Sale of goods	3,226,540.47	
Zhengzhou Xinyinke	Sale of goods and rendering of services	21,759,706.05	44,193,479.78
Nanning Jinhongsheng	Sale of goods and rendering of services	14,490,750.21	2,735,849.06
Beijing Jinke Jinbi	Sale of goods and rendering of services	5,269,080.66	
Shijiazhuang Tianyao	Sale of goods and rendering of services	1,113,869.79	15,617,577.07
Hunan Jinke	Sale of goods and	30,173,512.03	18,553,549.87

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
	rendering of services		
Yulin Longhe	Sale of goods and rendering of services	3,485,951.32	10,661,339.41
Zhumadian Bisheng	Sale of goods and rendering of services	3,182,508.22	3,910,841.81
Dalian Fengmao	Sale of goods and rendering of services	3,218,737.39	
Hefei Bihe	Sale of goods and rendering of services	3,471,754.64	8,013,364.83
Lanxi Zhongliang	Sale of goods and rendering of services	7,183,453.00	2,231,006.92
Handan Rongkai	Sale of goods and rendering of services	8,234,877.30	1,776,949.36
Dalian Hongkun	Sale of goods and rendering of services	19,679,425.69	1,542,087.64
Chongqing Taijun	Sale of goods and rendering of services	25,958,064.99	4,897,263.56
Ya'an Jinhong	Sale of goods	1,945,415.34	
Zhongjian Jinlun	Sale of goods and rendering of services	18,867,539.65	7,810,225.71
Chongqing Jinyuehui	Sale of goods and rendering of services	2,436,019.93	88,703.60
Jinke Junzhi	Sale of goods and rendering of services	123,680,581.85	137,179,136.62
Kunxiang Yutang	Sale of goods and rendering of services	19,602,308.85	13,368,032.33
Liuzhou Luzhai Jinrun	Sale of goods and rendering of services	9,202,888.41	
Chongqing Zhongliang Yongsheng	Sale of goods and rendering of services	8,857,959.90	
Gongyi Jinyao Baishi	Sale of goods and rendering of services	10,404,163.40	
Shangrao Kesong	Sale of goods and rendering of services	7,149,768.69	
Guangxi Shengchan	Sale of goods and rendering of services	4,937,914.24	
Sishui Jinmengquan	Sale of goods and rendering of services	4,336,129.11	
Dalian Runyu	Sale of goods and rendering of services	38,097,432.56	
Taizhou Shimao Xinlicheng	Sale of goods and rendering of services	12,648,743.26	
Shangrao Yuesheng	Sale of goods and rendering of services	11,068,151.59	3,084,099.78
Shijiazhuang Jinke	Sale of goods and rendering of services	19,542,800.48	16,639,082.39
Chongqing Whistler	Sale of goods and rendering of services	11,731,913.58	7,704,605.79
Hai'an Baijun	Sale of goods and rendering of services	2,757,966.09	
Chongqing Jinjianglian	Sale of goods and rendering of services	3,578,076.43	52,173,108.06
Hengyang Dingheng	Sale of goods and rendering of services	1,434,293.12	718,294.09

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Keshijin	Sale of goods and rendering of services	71,713,037.28	
Qianshang Property	Sale of goods and rendering of services	15,815,079.81	6,026,341.50
Jiaxing Jinya	Sale of goods and rendering of services	80,649,185.26	
Zhangjiagang Dongjun	Sale of goods and rendering of services	2,554,702.00	
Taicang Xingyu	Sale of goods and rendering of services	3,143,407.80	
Zhongshu Property	Sale of goods and rendering of services	9,942,856.01	4,430,498.54
Guilin Yingsheng	Sale of goods and rendering of services	13,945,033.97	
Guangxi Yuanjia	Sale of goods and rendering of services	30,286,802.63	
Yuxi Jinke Junhui	Sale of goods and rendering of services	38,531,225.44	
Xinmi Shouli	Sale of goods and rendering of services	5,331,867.26	
Nanchang Jinjun	Sale of goods and rendering of services	2,006,695.92	
Chongqing Shuchen	Sale of goods and rendering of services	2,944,174.27	
Suzhou Zhuojun	Sale of goods and rendering of services	3,885,845.42	
Hefei Chang'en	Sale of goods and rendering of services	4,386,032.90	4,367,005.67
Xiangyang Jinlun	Sale of goods and rendering of services	4,753,274.68	
Changzhou Tianchen	Sale of goods and rendering of services	155,345.84	7,754,716.98
Xuzhou Meicheng	Sale of goods	26,051.56	
Nanning Qingzhou	Sale of goods and rendering of services	3,645,306.60	
Ji'an Jinsong	Sale of goods and rendering of services	35,447,016.78	
Changde Dingye	Sale of goods and rendering of services	1,414,321.53	6,896,546.21
Chongqing Jinjamei	Sale of goods and rendering of services	11,945,673.01	
Guangxi Miaotai	Sale of goods and rendering of services	65,508,028.52	25,556,744.84
Changzhou Baijun	Sale of goods and rendering of services	849,085.76	12,254,498.85
Suzhou New City Jinyue	Sale of goods and rendering of services	75,640,756.10	44,959,265.53
Changzhou Jinchen	Sale of goods and rendering of services	14,300,730.21	
Changzhou Jinke	Sale of goods and rendering of services	1,224,838.77	5,049,150.24
Anhui Kejian Property	Sale of goods and rendering of services	705,027.44	

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Hubei Jiaotou Jinke Property	Sale of goods	89.80	
Maoming Jinxiao	Sale of goods and rendering of services	18,230.76	
Fujian Hilton	Sale of goods and rendering of services	1,380,464.50	2,394,915.31
Foshan Jinji	Sale of goods and rendering of services	1,874,063.57	2,349,900.44
Shanghai Longjun	Sale of goods and rendering of services	10,552,261.60	951,431.50
Yidu Jiaotong Jinwei	Sale of goods and rendering of services	982,698.52	4,672,499.34
Wuhan Yejin	Sale of goods and rendering of services	38,713.64	
Hubei Hailujing Suizhou	Sale of goods and rendering of services	3,029,593.70	
Goose Tianxiang	Sale of goods	3,893.81	330,188.67
Goose Business Management	Sale of goods	3,805.31	
Jinke Zhixin	Sale of goods and rendering of services	1,450,831.76	
Wenzhou Jingrong	Sale of goods and rendering of services	736,395.07	
Anqing Jinshixiang	Sale of goods and rendering of services	1,185,041.78	566,037.74
Wuxi Fuyang	Sale of goods	7,610.62	
Haimen Ganghua	Sale of goods and rendering of services	3,409,070.65	
Suqian Tongjinhong	Sale of goods and rendering of services	1,175,660.30	
Suzhou Zhengnuo	Sale of goods and rendering of services	2,065,089.89	
Suzhou Xiaojun	Sale of goods and rendering of services	668,859.56	
Yiwu Lianxiang	Sale of goods and rendering of services	9,950,124.79	92,029.52
Chongqing Jinyonghe	Rendering of services	3,125,044.69	
Zhongke Real Estate	Rendering of services	103,361.10	
Chongqing Shengmu	Rendering of services	3,186,959.87	5,057,226.63
Guangxi Yuanshan	Rendering of services	13,442,394.13	
Yunnan Jinjia	Rendering of services	734,743.40	
Chongqing Jinyuyang	Rendering of services	4,849,949.88	
Yueyang Dingyue	Rendering of services	1,337,813.45	1,913,176.42
Chongqing Bijinhui	Rendering of services	8,619,051.44	5,793,942.60
Ji'an Jinchun	Rendering of services	6,257,768.25	1,628,905.65
Changzhou Meike	Rendering of services	7,343,809.92	7,580,712.42
Changzhou Liangyue	Rendering of services	9,515,469.27	3,388,043.79

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Suqian Liangyue	Rendering of services	447,286.25	
Nanjing Yuhong	Rendering of services	3,939,936.36	3,516,280.05
Lanxi Hongke	Rendering of services	3,626,891.26	471,698.12
Wenzhou Kaiyi	Rendering of services	6,060,838.68	1,742,452.83
Chongqing Meicheng	Rendering of services	8,183,271.13	4,807,444.35
Chongqing Bijayi	Rendering of services	2,057,349.27	2,624,683.53
Chongqing Meike	Rendering of services	6,858,732.50	16,161,734.17
Chongqing Jinnan Shengtang	Rendering of services	12,045,290.42	4,057,035.37
Chengdu Lingpao	Rendering of services	4,429,510.41	3,779,863.07
Yunnan Jiaxun	Rendering of services	2,428,786.73	1,763,566.81
Chongqing Qixiang	Rendering of services	1,949,365.36	314,566.04
Qingdao Hengmei	Rendering of services	5,548,646.81	
Xuchang Jinyao	Rendering of services	1,158,844.45	1,292,228.43
Gongyi Bixin Real Estate	Rendering of services	247,273.59	266,752.92
Nanning Yutongjin	Rendering of services	29,055,921.44	57,874,622.62
Chongqing Pinjinyue	Rendering of services	9,185,180.08	24,765,104.65
Nanyang Zhongliang Chengtong	Rendering of services	3,627,269.05	
Guangxi Tangpeng	Rendering of services	2,730,612.11	
Guokong Lancheng	Rendering of services	1,965,562.87	2,582,164.65
Chongqing Meichen	Rendering of services	6,047,708.89	
Yueqing Liangpin	Rendering of services	2,895,908.95	
Keyi Microfinance	Rendering of services	46,415.10	60,247.09
Jinke Commercial Factoring	Rendering of services	31,698.12	17,830.20
Jinke Investment	Rendering of services	250,959.43	10,896.19
Xinhaihui Property	Rendering of services	351,929.48	84,063.96
Xinyang Jinshao	Rendering of services	493,988.90	
Jinyuejia Education	Rendering of services	14,637.62	
Shenyang Liangming	Rendering of services	5,527,356.50	
Shenyang Junhan	Rendering of services	874,281.46	
Chengdu Shengbu	Rendering of services	754,716.96	2,626,415.08
Chengdu Chenpan	Rendering of services	890,841.79	
Nanjing Jinjun	Rendering of services	613,207.54	
Western Consumption	Rendering of services	79,339.62	
Guigang Yuegui	Sale of goods and rendering of services	15,383,456.15	

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Guangzhou Jingyu	Sale of goods and rendering of services	103,066.49	
Jinke Golden Education	Sale of goods	447.03	
Chengdu Liankang	Sale of goods	2,300.88	
Chengdu Jianfeng	Sale of goods	176.99	
Chengdu Yuntu	Sale of goods	1,769.91	
Hangzhou Dexin	Sale of goods and rendering of services	315,485.27	
Handan Liangrui	Rendering of services	532,958.55	
Tianjin Junye	Rendering of services	348,786.41	
Wenzhou Glory	Rendering of services	37,828.00	
Wenling Binjin	Rendering of services	1,413,080.59	
Suining Chuanda	Rendering of services	498,471.35	
Taicang Zhuorun	Rendering of services	4,262,771.53	
Tianjin Sunshine City Jinke	Rendering of services	197,724.33	
Chongqing Jinjiahai	Rendering of services	4,879,089.60	7,067,078.88
Jiujiang Huadi	Rendering of services	335,238.45	
Suzhou Tianchen	Rendering of services	1,632,730.68	1,968,602.95
Chongqing Supin	Rendering of services	11,431,349.01	
Yunnan Jinhongya	Rendering of services	10,086,938.43	12,570,925.72
Wujiaqu Jinke	Rendering of services	4,101,241.10	11,133,468.37
Jurong Ruihan	Rendering of services	51,886.79	423,775.71
Wuhan Yeshuo	Rendering of services	4,174,167.38	
Hubei Hailujing Chimes	Rendering of services	1,999,133.72	
Hubei Hailujing Yandi	Rendering of services	3,547,716.69	
Jiujiang Jinmei	Rendering of services	382,300.75	
Qingdao Shimao Boxi	Rendering of services	4,455,531.01	1,582,570.90
Chongqing Jinchen Jinyu	Rendering of services	2,790,917.63	
Liuzhou Tongxin	Rendering of services	1,181,257.43	
Hangzhou Jinyu	Rendering of services	2,566,037.74	3,971,003.16
Fuyang Ruihu	Rendering of services	309,340.79	
Chengdu Yizhi Xingyi	Rendering of services	21,232,072.85	3,551,088.22
Jiashan Shengtai	Rendering of services	447,998.49	3,971,128.23
Huarong Bicheng	Rendering of services	1,868,028.39	640,119.87
Shangqiu Xinhang	Rendering of services	1,346,252.43	
Binzhou Baochi	Rendering of services	1,384,881.44	269,559.15

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Liaocheng Rongshun	Rendering of services	6,940,392.39	2,428,021.70
Taian Jinyanghua	Rendering of services	2,756,378.38	1,147,507.51
Changsha Jinchunjia	Rendering of services	1,320.75	
Xiangyang Jinjue	Rendering of services	2,954,619.44	
Shenyang Junyu	Rendering of services		177,626.84
Chongqing Jinyuhui	Rendering of services	11,481,715.13	
Chongqing Jinbihui	Rendering of services	1,613,211.84	5,519,585.31
Chongqing Jinmeibi	Rendering of services		8,102,546.84
Chongqing Jinbimao	Rendering of services	663,284.90	727,139.39
Hefei Deyuan	Rendering of services	4,622,641.52	
Nanning Yaoxin	Rendering of services	375,555.75	611,995.63
Anyang Changjian	Rendering of services	3,823,699.09	
Luoyang Duli	Rendering of services	744,021.44	
Ai Guoguang	Sale of goods		867,445.45
Caiju Investment	Rendering of services		697,247.71
Fang Mingfu, Chen Zhongrong	Sale of goods		6,967,891.74
He Rong	Sale of goods		2,203,492.66
Jinke Yukun	Rendering of services		60,407.55
Jinke Yutai	Rendering of services		304,910.38
Meikun Industrial	Rendering of services	10,590.81	101,777.93
Chongqing Xinkun	Rendering of services		1,807,453.47
Li Xiaoyan, Yu Huanchu	Sale of goods		10,473,623.85
Yunnan Chengding	Rendering of services		717,389.33
Zhongke Group	Rendering of services		203,585.42
Zhongke Holdings	Rendering of services		94,339.62
Chongqing Hangxing	Rendering of services		80,427.63
Zunyi Meijun	Rendering of services		2,217,394.45
Ningbo Longhong	Rendering of services	914,622.59	
Huang Shuaijun	Sale of goods	33,993,761.47	
Huang Sishi	Sale of goods	12,001,224.77	
Tao Hongxia	Sale of goods	43,977,444.95	
Liu Jing	Sale of goods	390,733.94	
Chongqing Peiyun	Sale of goods	27,395,871.56	
Subtotal		1,777,798,189.45	1,056,978,459.02

2. Related party guarantees

(1) Guarantees provided by major shareholder to the Company

1) Pursuant to the Agreement on Cooperation entered into between the subsidiary Chongqing Jinke and 重庆路桥股份有限公司 (Chongqing Road & Bridge Co., Ltd.*, the “Chongqing Road & Bridge”) on December 31, 2019, Chongqing Road & Bridge paid security deposits of 400 million yuan to acquire general contracting for some pending construction projects of Chongqing Jinke and its subsidiaries. The Agreement stipulates that if two parties fail to reach an agreement on the general contracting within the three-month consultation period or make an early termination of the agreement by consensus, Chongqing Jinke will refund the cooperation deposits unconditionally, and pay capital occupation fee at the annual interest rate of 8.5%. Jinke Investment and the actual controller Huang Hongyun will provide a joint and several liability guarantee free of charge. As of December 31, 2020, the two parties failed to reach an agreement on the general contracting and terminated the agreement in advance. Chongqing Jinke refunded the cooperation deposits of 400 million yuan to Chongqing Road & Bridge and paid corresponding capital occupation fee. The guarantee obligations undertaken by the major shareholder and the actual controller had been released.

2) Pursuant to the Loan Agreement entered into between the subsidiary Qingke Trading and 重庆国际信托股份有限公司 (Chongqing International Trust Co., Ltd.*) on December 31, 2019, the borrowings amounted to 600 million yuan, with annual interest of 9%. Jinke Investment and the actual controller Huang Hongyun will provide a joint and several liability guarantee free of charge. As of December 31, 2020, Qingke Trading had refunded the cooperation deposits of 600 million yuan and paid corresponding capital occupation fee. The guarantee obligations undertaken by the major shareholder and the actual controller had been released.

(2) Guarantees provided by the Company to investees

Guaranteed parties	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Commencement date	Maturity date	Whether the guarantee is mature
Chongqing Meike	20,400.00	10,200.00	6/12/2018	6/12/2021	No
Shijiazhuang Jinke	19,500.00	12,675.00	6/22/2018	6/13/2021	No
Hefei Bihe	57,900.00	14,475.00	6/28/2018	6/28/2021	No
Taicang Zhuorun	39,000.00	9,438.00	9/7/2018	9/7/2021	No
Changzhou Baijun	8,500.00	2,833.05	7/20/2018	7/19/2021	No
Changshu Jinchen	42,297.00	20,725.53	10/22/2018	10/22/2021	No
Chengdu Lingpao	42,300.00	12,690.00	10/10/2018	9/26/2021	No
Chongqing Jinjiahe	49,998.00	25,498.98	11/15/2018	12/16/2021	No
Shijiazhuang Jinhui	3,102.70	1,085.95	12/3/2018	12/26/2021	No
Yinhai Lease	29,000.00	24,650.00	11/1/2018	11/1/2026	No
Chongqing Jinjianglian	22,800.00	11,400.00	12/28/2018	12/27/2021	No

* The English names are for identification purpose only.

Guaranteed parties	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Commencement date	Maturity date	Whether the guarantee is mature
Nanning Yaoxin	39,000.00	9,750.00	1/3/2019	1/2/2022	No
Chongqing Meicheng	3,000.00	900.00	1/15/2019	1/14/2022	No
Hunan Jinke	60,000.00	60,000.00	11/13/2018	11/13/2021	No
Zhongshu Property	32,000.00	16,000.00	12/25/2018	12/24/2021	No
Zunyi Meijun	24,000.00	11,760.00	2/27/2019	3/26/2022	No
Dalian Hongkun	95,000.00	95,000.00	5/14/2019	5/20/2022	No
Jinshang Baishi	42,700.00	42,700.00	3/28/2018	3/28/2021	No
Qianshang Property	26,000.00	26,000.00	5/20/2019	12/20/2021	No
Foshan Jinji	37,200.00	12,276.00	6/20/2019	6/26/2022	No
Chongqing Jinbihui	56,000.00	19,040.00	8/12/2019	4/24/2022	No
Yueyang Dingyue	11,280.00	5,628.72	9/29/2019	9/11/2022	No
Qingdao Shimao Boxi	7,558.00	3,703.42	9/29/2019	9/10/2022	No
Changzhou Meike	20,000.00	9,800.00	8/22/2019	8/13/2022	No
Changde Dingye	16,000.00	7,984.00	9/19/2019	9/24/2022	No
Handan Rongkai	26,960.00	13,210.40	9/20/2019	9/27/2021	No
Luoyang Duli	40,400.00	8,972.84	8/21/2019	3/21/2023	No
Maoming Jinxiao	32,700.00	16,350.00	9/29/2019	9/28/2022	No
Ji'an Jinchun	5,000.00	2,500.00	9/27/2019	4/15/2021	No
Chongqing Jinyuehui	38,868.00	19,434.00	10/22/2019	10/21/2022	No
Chongqing Bijiyai	12,000.00	5,880.00	9/23/2019	9/23/2022	No
Fujian Hilton	35,000.00	35,000.00	11/15/2019	6/19/2021	No
Chongqing Jinbimao	82,186.00	400.00	10/29/2018	4/29/2021	No
Hefei Chang'en	19,400.00	6,402.00	12/24/2019	5/31/2022	No
Chongqing Taijun	21,000.00	6,930.00	1/19/2020	1/16/2024	No
Chongqing Jinyonghe	31,052.00	15,215.48	2/20/2020	2/26/2023	No
Guangxi Tangpeng	20,000.00	5,000.00	2/25/2020	2/19/2023	No
Changzhou Liangyue	103,000.00	36,050.00	3/5/2020	1/9/2023	No
Gongyi Bixin Property	14,900.00	7,301.00	3/9/2020	3/9/2023	No
Yiwu Lianxiang	25,000.00	6,250.00	3/2/2020	12/11/2022	No
Hengyang Dingheng	2,850.00	1,422.15	1/1/2020	3/26/2023	No
Anyang Changjian	20,000.00	8,000.00	5/8/2020	3/24/2022	No
Lanxi Zhongliang	2,500.00	825.00	3/13/2020	12/9/2021	No
Guangxi Shengcan	23,000.00	5,750.00	5/7/2020	3/18/2023	No
Chongqing Jinjiamei	26,000.00	13,000.00	5/28/2020	10/17/2023	No
Hunan Jinke	60,107.00	60,107.00	5/12/2020	4/27/2023	No
Haimen Ganghua	22,000.00	5,390.00	6/1/2020	6/1/2023	No
Chongqing Supin	14,780.00	5,173.00	6/4/2020	3/30/2023	No
Chongqing Jinnan Shengtang	25,000.00	10,000.00	6/30/2020	6/18/2023	No
Gongyi Jinyao Baishi	34,878.57	17,090.50	6/10/2020	6/11/2023	No
Shenyang Liangming	49,000.00	14,700.00	6/30/2020	6/17/2023	No

Guaranteed parties	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Commencement date	Maturity date	Whether the guarantee is mature
Beijing Jinke Deyuan	55,000.00	28,050.00	11/26/2018	11/26/2021	No
Chongqing Keshijin	52,000.00	17,160.00	6/18/2020	5/28/2023	No
Chongqing Meichen	45,500.00	22,704.50	6/29/2020	6/20/2023	No
Yidu Jiaotou Jinwei	10,000.00	4,500.00	6/29/2020	6/17/2023	No
Suqian Tongjinhong	47,000.00	18,800.00	7/28/2020	6/28/2023	No
Xuzhou Meicheng	16,000.00	7,200.00	7/22/2020	7/15/2022	No
Chongqing Bijinhui	50,000.00	16,500.00	7/22/2020	7/19/2023	No
Suzhou Xiaojun	107,500.00	35,475.00	7/30/2020	6/25/2023	No
Xiangyang Jinlun	23,880.00	23,880.00	8/29/2020	7/29/2023	No
Xiangyang Jinjue	17,877.00	8,759.73	8/5/2020	7/14/2023	No
Taichang Xingyu	52,000.00	25,480.00	8/25/2020	8/24/2023	No
Suzhou Zhengnuo	35,000.00	14,000.00	8/30/2020	8/18/2023	No
Hefei Deyuan	55,700.00	27,293.00	8/21/2020	8/12/2024	No
Xiangyang Jinlun	35,700.00	35,700.00	9/15/2020	8/20/2023	No
Guigang Yuegui	25,150.02	6,400.68	9/1/2020	9/11/2022	No
Shenyang Junhan	28,000.00	28,000.00	9/18/2020	9/15/2023	No
Hubei Hailujing Suizhou	25,000.00	14,025.00	9/29/2020	3/29/2022	No
Chongqing Zhongliang Yongsheng	19,416.00	5,103.89	9/28/2020	9/29/2023	No
Nanchang Jinjun	22,000.00	10,780.00	10/9/2020	10/13/2023	No
Chongqing Jincheng Jinyu	31,000.00	15,500.00	10/15/2020	10/20/2023	No
Nanjing Jinjun	40,000.00	10,000.00	11/5/2020	11/4/2023	No
Nanning Qingzhou	26,000.00	8,580.00	11/27/2020	11/17/2023	No
Zhangjiagang Dongjun	50,000.00	16,500.00	11/16/2020	3/21/2025	No
Chongqing Jinghuanjin	36,000.00	14,400.00	12/17/2020	7/30/2022	No
Chongqing Whistler	25,000.00	12,502.50	12/17/2020	1/29/2022	No
Wuhan Yeshuo	40,000.00	13,200.00	12/18/2020	12/17/2023	No
Chongqing Jinmeiyuan	92,400.00	47,124.00	9/18/2019	9/22/2022	No
Chongqing Jinyuhui	34,618.77	17,309.39	1/19/2020	1/15/2023	No
Chongqing Jinyuhui	15,000.00	7,500.00	9/23/2020	9/23/2023	No
Changzhou Jincheng	14,950.00	8,222.50	7/2/2019	7/2/2022	No
Hefei Jinjun Meihe	105,500.00	52,855.50	5/27/2019	5/27/2022	No
Suzhou Zhuojun	35,000.00	17,150.00	10/29/2020	11/2/2025	No
Zhoukou Bitian	30,000.00	10,500.00	11/25/2020	12/31/2023	No
Tianjin Sunshine City Jinke	15,000.00	7,350.00	12/3/2020	11/16/2023	No
Shandong Elysee	78,141.00	78,141.00	7/8/2020	7/9/2021	No
Nanning Yutongjin	8,300.00	8,300.00	10/22/2018	10/21/2021	No
Guangxi Miaotai	7,164.00	7,164.00	11/26/2018	11/25/2021	No
Shenyang Junyu	10,625.14	3,506.30	12/27/2018	12/30/2021	No

Guaranteed parties	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Commencement date	Maturity date	Whether the guarantee is mature
Wenling Binjin	25,000.00	6,250.00	11/19/2019	11/18/2021	No
Wenzhou Kaiyi	45,000.00	14,850.00	12/23/2019	11/11/2022	No
Dalian Fengmao	15,920.00	15,920.00	3/25/2020	3/24/2023	No
Dalian Runyu	24,600.00	24,600.00	6/2/2020	5/28/2023	No
Yueqing Liangpin	61,749.00	24,699.60	6/11/2020	6/16/2023	No
Hangzhou Dexin	99,800.00	42,914.00	8/27/2020	8/30/2023	No
Handan Liangrui	20,000.00	4,200.00	10/30/2020	10/29/2022	No
Wenzhou Glory	10,000.00	2,400.00	11/23/2020	11/19/2023	No
Changsha Jingke	67,000.00	67,000.00	6/15/2020	6/24/2023	No
Zhuzhou Jingke	35,000.00	35,000.00	8/6/2020	8/20/2023	No
Zhenjiang Jinhong	16,990.00	8,325.10	6/5/2020	11/19/2021	No
Suqian Liangyue	16,000.00	5,600.00	6/29/2020	6/28/2023	No
Longli Tianchen	3,200.00	3,200.00	6/11/2020	6/8/2022	No
Longli Tianchen	3,608.38	3,608.38	12/26/2019	1/2/2021	No
Longli Tianchen	1,277.52	1,277.52	6/18/2020	7/1/2021	No
Jinke Zhixin	7,196.93	7,196.93	7/1/2020	9/8/2023	No
Chongqing Runtian	85,605.00	29,961.75	7/16/2020	6/1/2027	No
Chongqing Runtian	7,100.00	2,485.00	7/16/2020	3/31/2021	No
Nanyang Zhongliang Chengtong	36,800.00	8,464.00	6/8/2020	6/28/2023	No

3. Financial support provided by Jinke Investment to Chongqing Jinke

Jinke Investment and Chongqing Jinke entered into the Credit Borrowing Contract on September 9, 2019, agreeing that Jinke Investment would provide credit borrowings with total amount not exceeding 700 million yuan to Chongqing Jinke, with term not over one year and annual interest rate of 8.6%. In 2019, Jinke Investment actually provided credit borrowings of 200 million yuan to Chongqing Jinke, and Chongqing Jinke had repaid the borrowings of 50 million yuan. As of December 31, 2020, Chongqing Jinke had repaid the remaining 150 million yuan to Jinke Investment, and had paid interest of 8.385 million yuan (of which, interest of 3.26 million yuan was accrued in current period).

4. Assets transfer of the related parties

Related parties	Content of related party transactions	Current period cumulative	Preceding period comparative
Jinke Investment	Acquisition of fixed assets		8,550,000.00

5. Key management's emoluments

Items	Current period cumulative (in ten thousand yuan)	Preceding period comparative (in ten thousand yuan)
Key management's emoluments	10,571.00	9,449.54

6. Projects of which directors and executives as co-investors

In order to further improve the quality and operation efficiency of the Company's real estate projects, to index the project operation benefit directly to personal income of co-investors and to realize revenue-sharing and risk pooling, the Company has formulated the Management Measures for Real Estate Companies with Employees as Co-Investors. In accordance with the above measures, co-investment items will be identified as related transactions with some directors and executives of the Company. As of December 31, 2020, the Company's directors and executives have taken part in a total of 67 projects within the consolidated scope through Tianjin Jinfushun, the partnership in which they jointly invested. The amount actually put into the co-investment is 43,616,607.00 yuan, and the cumulative capital returned is 24,828,458.00 yuan. The status of participation in various co-investment projects are as follows:

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
Jinke Jimei Lakeside	0.2330%	Joint operation	600,000.00	420,000.00
Guiyang Jiemei Sunshine	0.2758%	Joint operation	600,000.00	420,000.00
Nanchuan World City	0.0997%	Capital increase	600,000.00	420,000.00
Jinke Bocui Garden	0.0715%	Joint operation	600,000.00	420,000.00
Luzhou Bocui Bay	0.0490%	Transfer of shares	630,000.00	441,000.00
Jinke Oriental Bocui	0.0183%	Capital increase	600,000.00	373,546.00
Chongqing Bocui Yangtze River	0.0900%	Joint operation	600,000.00	420,000.00
Chongqing Tianyue Mansion	0.1975%	Capital increase	438,000.00	306,600.00
Nanchang Jimei Sunshine	0.0573%	Capital increase	600,000.00	420,000.00
Hangzhou Bocui Mansion	0.0344%	Transfer of shares	600,000.00	256,260.00
Chengdu Bocui Tianchen	0.0695%	Transfer of shares	630,000.00	441,000.00
Tianjin Bocui Bay	0.0225%	Capital increase	600,000.00	366,356.00
Wanzhou Bocui Riverside	0.2105%	Joint operation	600,000.00	420,000.00
Jinke Riverside Center	0.1853%	Joint operation	600,000.00	420,000.00
Foshan Bcui Tianxia	0.0359%	Joint operation	600,000.00	420,000.00
Jiangjin Jimei County	0.1498%	Capital increase	600,000.00	420,000.00
Jinke Meihuwan Xiangshan	0.1181%	Transfer of shares	630,000.00	163,412.00
Jinke Bocui Sparkling Lake	0.0613%	Transfer of shares	321,300.00	224,910.00

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
Banan Jimei Jinwan	0.1576%	Joint operation	690,000.00	483,000.00
Jinke Egret Lake	0.1771%	Joint operation	690,000.00	483,000.00
Tianjin Jimei Tiancheng	0.2130%	Transfer of shares	690,000.00	164,033.00
Zibo Jimei Jiayue	0.1282%	Transfer of shares	690,000.00	483,000.00
Chengdu Bocui Mansion	0.0699%	Transfer of shares	720,000.00	504,000.00
Suzhou Qiantang Pingjiang	0.0235%	Transfer of shares	690,000.00	337,579.00
Jinke Baicui World	0.1317%	Joint operation	690,000.00	63,687.00
Yongchuan Jimei Tianchen	0.3007%	Transfer of shares	720,000.00	504,000.00
Jinke Bocui Aquamarine Bay	0.0197%	Joint operation	690,000.00	483,000.00
Jinke Jimei Shangjing	0.2564%	Joint operation	690,000.00	300,819.00
Tianjin Quyang Mansion	0.1717%	Transfer of shares	690,000.00	237,846.00
Jinke Furong Tianchen	0.1235%	Joint operation	690,000.00	483,000.00
Zhongxian Jiemei Jiangshan	0.0662%	Joint operation	690,000.00	415,300.00
Guiyang Longli Orient	0.2178%	Joint operation	345,000.00	241,500.00
Jinke Jimei Hanlin Mansion	0.1855%	Joint operation	690,000.00	483,000.00
Yunyang Jimei Jiangyue	0.1517%	Joint operation	690,000.00	483,000.00
Tangshan Jinke Jimei County	0.2114%	Capital increase	690,000.00	472,788.00
Bishan Tianyi Mansion	0.0606%	Joint operation	690,000.00	483,000.00
Ganzhou Jimei Residence	0.1306%	Capital increase	690,000.00	483,000.00
Panzhuhua Jimei Sunshine	0.0902%	Transfer of shares	720,000.00	504,000.00
Jinke Jimei Tianchen Bay	0.2039%	Capital increase	690,000.00	483,000.00
Zunyi Guantianxia	0.1207%	Joint operation	720,000.00	121,931.00
Luzhou Jimei Tianchen	0.1995%	Transfer of shares	690,000.00	483,000.00
Liuzhou Jimei Tianyue	0.1553%	Transfer of shares	690,000.00	483,000.00
Jinke Yuzhou Mansion	0.0387%	Joint operation	720,000.00	251,719.00
Fuling Jimei County	0.2228%	Joint operation	720,000.00	116,868.00
Hefei Duhui Grand	0.0492%	Transfer of	690,000.00	197,530.00

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
View		shares		
Neijiang Jimei Tianchen	0.0746%	Transfer of shares	690,000.00	446,253.00
Jinke Jimei Shanshui County	0.0708%	Capital increase	690,000.00	248,894.00
Guangzhou Jimei Lingxiu	0.0436%	Joint operation	690,000.00	351,383.00
Jinke Jimei County	0.2569%	Joint operation	690,000.00	181,862.00
Zibo Jimei Tianchen	0.1881%	Joint operation	690,000.00	
Guiyang Jiuhua Linyun	0.0458%	Joint operation	720,000.00	366,409.00
Jinke Jiamei Jiangwan	0.0878%	Joint operation	690,000.00	362,238.00
Shenyang Jimei Tiancheng	0.0598%	Joint operation	690,000.00	483,000.00
Jinke Four Seasons Spring	0.0532%	Transfer of shares	690,000.00	370,941.00
Jinke Yuanjiang Building	0.0749%	Joint operation	690,000.00	483,000.00
Tianjin Vanke Guanlan	0.0640%	Transfer of shares	690,000.00	370,116.00
Jinke Yuehu Mingmen	0.2886%	Joint operation	720,000.00	504,000.00
Jinke Jimei Yajun	0.1400%	Capital increase	690,000.00	403,234.00
Suining Jimei Tianchen	0.2465%	Transfer of shares	690,000.00	483,000.00
Yueyang Jimei Orient	0.2447%	Joint operation	690,000.00	483,000.00
Wuxi Jimei Yipin	0.1661%	Transfer of shares	690,000.00	483,000.00
Renhuai Luming East	0.2671%	Capital increase	720,000.00	156,353.00
Liangping Jimei Orient	0.1357%	Joint operation	720,000.00	504,000.00
Yichang Jimei Sunshine	0.4538%	Capital increase	690,000.00	483,000.00
Jinke Jinghu Neighbourhood	0.0257%	Joint operation	351,900.00	158,091.00
Fengjie Jimei Riverside	0.1484%	Joint operation	720,000.00	504,000.00
15# Lot of Yueyang Midea Jinke County	0.1153%	Joint operation	400,407.00	
Total			43,616,607.00	24,828,458.00

7. Equity acquisition of Jinke Services by directors, supervisors and senior executives

Under the deliberation and approval of the fifth extraordinary shareholders' general meeting of 2020 of the Company, the directors, supervisors and senior executives of the Company set up Tianjin Zhuoyue Jinhe and indirectly held the equity of Jinke Services through the shareholding

platform 天津卓越共赢金科管理咨询合伙企业（有限合伙）（Tianjin Zhuoyue Win-Win Jinke Management Consulting Partnership (LP)*). On November 17, 2020, Jinke Services was listed on the Main Board of the Stock Exchange of Hong Kong Ltd. As of December 31, 2020, the directors, supervisors and senior executives indirectly held 0.8228% equity of Jinke Services.

8. Other related party transactions

(1) Equity acquisition of Chongqing Xingkun

Chongqing Jinke, Zhongke Group, and 重庆润凯商业管理有限公司 (Chongqing Runkai Commercial Management Co., Ltd.*), the “Chongqing Runkai”) entered into the Equity Transfer Agreement and related supplementary agreements on January 14, 2020, which agreed that the total price of such equity transfer was 680,273,200 yuan, of which, the transfer price for 51% equity of Chongqing Xingkun held by Zhongke Group should be 346,939,300 yuan, and that for 49% equity of Chongqing Xingkun held by Chongqing Runkai should be 333,333,900 yuan. As of December 31, 2020, the equity transfer payment of 616,204,800 yuan had been made by the Company, and procedures for registration of change relevant to the equity acquisition of Chongqing Xingkun had been finished.

(2) Equity acquisition of Chongqing Hangxing

Pursuant to the “Equity Transfer Agreement” entered into between 重庆骐鼎建设工程管理有限公司 (Chongqing Qiding Construction Engineering Management Co., Ltd.*), the “Chongqing Qiding”) and Chongqing Xinyihui dated January 10, 2020, Chongqing Qiding intended to acquire 100% equity of Chongqing Hangxing from Chongqing Xinyihui at the consideration of 45.75 million yuan. As of December 31, 2020, Chongqing Qiding had fully made the equity transfer payment to Chongqing Xinyihui, and procedures for registration of change relevant to the equity acquisition of Chongqing Hangxing had been finished.

(3) Joint capital decrease of real estate project with related parties

The Company held 49% equity of Nanning Sunac, and Sunac Southwest Real Estate Development (Group) Co., Ltd.* (“Sunac Southwest Company”) held the left 51% equity. According to the project development situation and operating needs of Nanning Sunac, the Company and Sunac Southwest Company reduced the registered capital of Nanning Sunac from 1 billion yuan to 20 million yuan in the same proportion, of which, the Company reduced 480.20 million yuan in the form of cash and Sunac Southwest Company reduced 499.80 million yuan in the form of cash. Such change has been registered at administration for industry and commerce.

(4) Joint development of real estate project with related parties

In November 2020, the subsidiary Chongqing Jinke bid for 100% equity of Chongqing Lanbo Bay through public bidding on the Hunan United Property Rights Exchange with total transaction price

* The English names are for identification purpose only.

of 779.00 million yuan (in which, equity transfer payment amounted to 144.90 million yuan and transfer payment for creditor's right amounted to 634.10 million yuan), and paid the transaction service fee of 5.477 million yuan to the Hunan United Property Rights Exchange. Based on the concept of win-win cooperation, Chongqing Jinke intended to jointly develop the above-mentioned real estate project with 重庆铭睿房地产开发有限公司 (Chongqing Mingrui Real Estate Development Co., Ltd.*, the "Chongqing Mingrui") and Sunac Southwest Company. Therefore, Chongqing Jinke intended to transfer 34% equity and corresponding creditor's right of Chongqing Lanbo Bay to Chongqing Mingrui and 33% equity and corresponding creditor's right to Sunac Southwest. The total amount involved in the transfer of 33% equity was 258.88 million yuan (in which, equity transfer payment amounted to 47.82 million yuan, transfer payment for creditor's right amounted to 209.25 million yuan, and transaction service fee amounted to 1.81 million yuan). As of the date of this financial report, relevant transactions and equity changes have been finished.

(5) Interest settlement

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Meike	Interest	17,143,460.82	1,330,188.68
Shanghai Longjun	Interest	16,506,620.71	
Chengdu Yizhi Xingyi	Interest	15,026,133.38	20,774,370.85
Suzhou Pingtai	Interest	14,311,261.80	
Xinhaihui Property	Interest	13,802,738.25	
Zhongshu Property	Interest	13,379,562.27	16,458,713.49
Suqian Tongjinhong	Interest	12,579,922.48	
Chongqing Pinjingyue	Interest	8,771,161.42	39,086,113.35
Zhangjiagang Dongjun	Interest	7,813,043.04	
Suzhou Zhuojun	Interest	7,288,180.74	
Chongqing Taijun	Interest	6,384,709.54	2,506,326.75
Guilin Yingsheng	Interest	6,185,333.29	
Foshan Jinji	Interest	6,121,809.96	13,080,391.88
Maoming Jinxiao	Interest	6,074,743.75	4,377,407.87
Yidu Jiaotou Jinwei	Interest	5,914,942.25	319,916.44
Linquan Jiarun	Interest	5,882,834.49	
Jiaxing Jinya	Interest	5,877,294.62	
Chongqing Whistler	Interest	5,714,030.09	
Yulin Longhe	Interest	5,613,191.12	3,424,280.58
Luohe Changjian Ronglian	Interest	5,018,637.80	

* The English name is for identification purpose only.

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Supin	Interest	4,847,731.09	
Hubei Hailujing Yandi	Interest	4,528,559.69	
Xinyang Jinshao	Interest	4,356,271.97	
Hubei Hailujing Chimes	Interest	4,311,540.74	
Suzhou Zhengnuo	Interest	4,276,219.52	
Anyang Changjian	Interest	4,275,854.93	
Luohe Hongyao	Interest	4,104,644.80	
Chengdu Shengbu	Interest	3,702,792.27	6,834,867.73
Changsha Jinchunjia	Interest	3,544,497.82	
Nanjing Jinjun	Interest	3,540,660.38	
Xinmi Shouli	Interest	2,704,059.51	
Liuzhou Tongxin	Interest	2,533,294.81	437,886.83
Hubei Hailujing Suizhou	Interest	2,357,549.12	
Guangzhou Jingyu	Interest	2,297,861.94	
Xiangyang Jinlun	Interest	2,192,565.00	
Xinyang Changyu	Interest	2,091,653.95	
Yunnan Chengding	Interest	2,081,877.79	2,040,725.94
Jinke Junzhi	Interest	1,840,294.37	4,974,346.49
Guangxi Shengcan	Interest	1,394,305.63	96,816.19
Jiashan Shengtai	Interest	1,229,221.28	5,300,426.62
Chongqing Xilianjin	Interest	1,081,220.54	4,557,877.16
Luoyang Duli	Interest	869,774.77	9,197,753.96
Suzhou Jinqiao	Interest	771,630.05	
Liuzhou Luzhai Jinrun	Interest	757,910.13	
Guokong Lancheng	Interest	644,823.31	-20,000.00
Yueyang Dingyue	Interest	541,279.78	345,450.93
Jiashan Tianchen	Interest	295,758.71	2,295,734.59
Shangrao Yuesheng	Interest	123,628.79	130,528.50
Guangxi Tangpeng	Interest	73,977.66	9,332.38
Xin'an Jiancheng	Interest	-59,450.91	
Zunyi Meijun	Interest	-145,655.44	
Nanning Qingzhou	Interest	-207,347.97	
Chongqing Meichen	Interest	-304,596.13	
Hunan Jinke	Interest	-345,973.56	8,762,498.63
Hangzhou Kaican	Interest	-1,272,908.38	
Jinke Jiefu	Interest	-2,475,555.56	-2,353,333.33

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Jinyuehui	Interest	-2,721,546.03	1,728,767.71
Chongqing Xidao	Interest	-4,178,168.56	4,388,434.72
Changzhou Jinke	Interest	-5,509,581.00	-5,479,474.01
Yunnan Jinhongya	Interest	-5,801,251.99	5,719,994.42
Kunxiang Yutang	Interest	-6,503,963.28	-10,926,611.00
Zhongjian Jinlun	Interest	-13,669,786.67	-9,198,223.96
Qianshang Property	Interest	-16,180,296.35	-5,291,476.27
Changzhou Tianchen	Interest	-18,766,298.34	15,443,003.22
Chongqing Jinjianglian	Interest	-25,592,941.44	23,863,154.45
Jinshang Baishi	Interest	-37,475,439.72	-23,477,897.79
Dalian Hongkun	Interest	-73,076,243.28	-26,311,240.41
Tianjin Junye	Interest		1,687,824.72
Changde Dingye	Interest		3,201,137.85
Nanning Yaixin	Interest		1,558,653.37
Chongqing Jinbimao	Interest		5,124,021.18
Nanning Jinhongsheng	Interest		1,188,109.20
Chengdu Lingpao	Interest		3,180,797.78
Changshu Jinchen	Interest		24,001.47
Chongqing Jinnan Shengtang	Interest		4,977,205.21
Ji'an Jinchen	Interest		2,144,694.11
Changzhou Liangyue	Interest		4,216,264.09
Changzhou Baijun	Interest		-4,760,487.17
Hengyang Dingheng	Interest		-332,790.00
Subtotal		38,494,067.56	136,636,485.40

Note: The negative amount represents interest on funds paid to related parties.

(6) Sale-leaseback

The subsidiary Hami Huaran (the lessee) signed an eight-year financial lease contract with Yin Hai Lease (the lessor) on September 1, 2018. The leased properties under this contract are 30 sets of H11L-2.0MW wind turbines and 4 sets of wind power tower tube mould in the C-area of Jingxia No. 2 Wind Farm. The transfer price is 300 million yuan. In the current period, Hami Huaran has paid interest of 17,268,021.95 yuan to Yin Hai Lease, and the balance of long-term payables as of December 31, 2020 is 290,322,284.62 yuan.

(III) Balance due to or from related parties

1. Balance due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets	Linquan Jiarun	10,517,431.75	10,517.43		
	Jinke Junzhi	61,114,649.94	61,114.65		
	Beijing Jinke Jinbi	1,052,742.37	1,052.74		
	Guigang Yuegui	8,046,510.45	8,046.51		
	Suzhou New City Jinyue	30,786,490.72	30,786.49		
	Zhengzhou Xinyinke	1,387,413.94	1,387.41		
	Zhongshu Property	70,099.07	70.10		
	Ji'an Jinsong	17,425,849.17	17,425.85		
	Chongqing Pinjingyue	3,082.69	3.08		
	Chongqing Xilianjin	87,958.39	87.96		
	Guangxi Yuanshan	12,327,357.16	12,327.36		
	Chongqing Taijun	48,132.26	48.13		
	Foshan Jinji	1,129,273.40	1,129.27		
	Dalian Runyu	15,489,828.00	15,489.83		
	Yuxi Jinke Junhui	9,091,870.30	9,091.87		
	Chongqing Keshijin	34,590,451.54	34,590.45		
	Guangxi Yuanjia	7,080,676.39	7,080.68		
	Guilin Yingsheng	13,218,348.90	13,218.35		
	Jiaxing Jinya	16,821,296.28	16,821.30		
	Chongqing Jinyuyang	3,925,465.14	3,925.47		
Jinke Kuntai	760.37	0.76			
Chongqing Zhongliang Yongsheng	482,298.80	482.30			
Yulin Longhe	1,138,530.58	1,138.53			
Chongqing Qixiang	67,752.85	1,151.80			
Subtotal		245,904,270.46	246,988.32		
Accounts receivable	Jinyuejia Education	3,200.00	32.00		
	Hunan Jingzhao	200,468.15	3,141.10		
	Xinmi Shouli	3,778,210.65	64,229.58		
	Beijing Jinke Jinbi	2,783,897.53	47,432.53		
	Chongqing Xilianjin	7,162,351.53	116,419.02	7,235,809.27	119,175.09
	Chongqing Whistler	6,442,788.88	108,960.55		
	Jinke Junzhi	131,330.29	1,313.30	38,156,070.86	647,597.09
Chongqing Bijinhui	334,033.52	3,340.34	7,606.33	76.06	

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Chongqing Jinnan Shengtang	1,624,015.57	63,460.30	3,864,289.00	65,692.91
	Chongqing Jinjiahai	637,584.07	6,375.84		
	Chongqing Bijayi	688,066.75	6,880.67		
	Chongqing Jinjianglian	423,804.38	5,180.95	179,177.01	7,565.87
	Chongqing Meike	458,960.40	4,589.60		
	Chongqing Meicheng	3,398,887.20	50,552.28	845,234.28	8,452.34
	Chongqing Pinjingyue	998,739.49	10,685.11		
	Chengdu Lingpao	362,392.70	3,623.93	794,653.76	7,946.54
	Dalian Runyu	325,100.26	5,526.70		
	Shijiazhuang Jinke	234,135.96	46,827.19	234,135.96	14,048.16
	Guocheng Lancheng	480,705.92	4,807.06	128,910.02	1,289.10
	Tianjin Junye	357,713.60	3,577.14		
	Shanghai Longjun	733,956.83	9,662.01	1,008,517.42	17,144.80
	Jurong Ruihan	346,352.94	19,183.70	309,202.27	5,256.44
	Nanjing Yuhong	3,123,665.73	31,236.66	877,221.93	8,772.22
	Taicang Zhuorun	888,071.10	8,880.71		
	Suqian Tongjinhong	1,232,196.58	12,321.97		
	Hubei Hailujing Chimes	2,119,081.80	36,024.39		
	Zhongjian Jinlun	3,450.00	172.50		
	Yulin Longhe	37,350.00	634.95	7,172,898.22	121,939.27
	Guigang Yuegui	7,881,369.89	128,351.94		
	Guilin Yingsheng	896,937.02	15,247.93		
	Zhengzhou Xinyinke	19,717,883.49	333,976.42	23,049,536.81	386,513.36
	Zhongshu Property	5,214,820.15	88,651.94	257,101.97	15,426.12
	Zhumadian Bisheng	1,121,949.96	18,355.73	2,350,437.23	39,957.44
	Foshan Jinji	27,900.00	279.00	640,347.87	10,885.91
	Shangrao Kesong	1,344,680.21	21,758.06		
	Yunnan Jinjia	778,828.00	13,240.08		
	Ji'an Jinsong	13,865,348.04	235,644.42		
	Hubei Hailujing Yandi	1,385,476.75	23,553.10		
	Shenyang Junhan	290,305.28	2,903.05		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Sishui Jinmengquan	176,656.54	2,974.35		
	Wuhan Yeshuo	4,421,017.54	75,157.30		
	Guangxi Yuanshan	1,631,689.77	26,866.35		
	Guangxi Yuanjia	2,249,755.81	38,245.85		
	Yuxi Jinke Junhui	23,181,681.54	389,291.68		
	Jiujiang Huadi	346,770.45	3,467.70		
	Jiujiang Jinmei	405,238.80	6,889.06		
	Western Consumption	34,600.00	346.00		
	Chongqing Taijun	3,022,426.03	50,676.73	3,257,461.56	55,376.85
	Chongqing Zhongliang Yongsheng	2,935,131.45	49,855.43		
	Chongqing Keshijin	1,157,175.95	15,373.81		
	Chongqing Shuchen	1,073,244.47	18,245.16		
	Chongqing Jinyuyang	1,323,522.05	22,499.87		
	Ya'an Jinhong	345,383.74	5,871.52		
	Chengdu Chenpan	599,643.00	5,996.43		
	Suining Chuanda	528,379.63	7,925.69		
	Handan Rongkai	4,645,826.84	78,979.06	1,170,731.60	19,902.44
	Shenyang Liangming	780,258.62	7,802.59		
	Handan Liangrui	564,936.06	5,649.36		
	Linqun Jiarun	806,665.00	9,961.31	19,456,825.22	325,442.44
	Suzhou Zhuojun	511,779.78	5,749.93		
	Zhangjiagang Dongjun	6,000.00	60.00		
	Nanjing Jinjun	621,091.61	6,210.92		
	Anqing Jinshixiang	282,800.00	2,828.00	600,000.00	6,000.00
	Shangrao Yuesheng	1,555,348.08	23,081.21	951,446.64	9,514.47
	Suzhou New City Jinyue	1,102,500.00	11,025.00	14,805,059.22	244,616.01
	Suqian Liangyue	462,691.49	4,626.91		
	Jiaxing Jinya	26,329,987.66	447,609.79		
	Suzhou Zhengnuo	594,900.44	5,949.00		
	Nanning Yutongjin	1,014,587.96	22,378.04	778,218.07	23,306.89
	Xinyang Jinshao	463,090.67	4,630.91		
	Nanyang Zhongliang	403,801.25	4,038.01		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Chengtong				
	Guangzhou Jingyu	75,485.60	1,280.46		
	Jinke Kuntai	1,911,004.17	943,627.42	1,917,628.93	383,525.79
	Yueqing Liangpin	341,282.88	3,412.83		
	Wenzhou Jingrong	516,810.00	5,168.10		
	Hangzhou Dexin	335,234.20	3,352.34		
	Yidu Jiaotou Jinwei	2,384,336.41	118,485.09	1,876,884.44	31,810.45
	Ya'an Sanctuary	2,465,949.17	41,921.14		
	Chongqing Qixiang	1,204,502.49	15,331.82		
	Tao Hongxia	29,952,000.00	449,280.00		
	Lanxi Hongke			70,000.00	700.00
	Jinke Yukun			64,032.00	640.32
	Chongqing Jinjiahe			30,869,953.52	521,874.40
	Suzhou Tianchen			45,085.00	450.85
	Changzhou Jinke			420,644.50	4,206.45
	Shijiazhuang Tianyao			2,717,730.95	46,201.43
	Hunan Jinke			51,403.31	25,366.88
	Jiashan Tianchen			1,272,684.57	21,635.64
	Yunnan Jinhongya			1,361,438.33	21,848.70
	Xuchang Jinyao			415,763.83	4,157.64
	Kunxiang Yutang			5,616,038.70	118,131.00
	Guangxi Miaotai			225,282.82	11,264.14
	Chongqing Xidao			7,810,984.86	155,027.29
	Nanning Jinhongsheng			1,522,356.50	25,880.06
	Jinke Yutai	646,551.38	308,201.26	615,341.38	123,068.27
	Wujiaqu Jinke	11,137,008.38	2,643,537.44	11,050,876.00	1,147,408.13
	Chengdu Shengbu			224,066.14	13,443.97
	Hefei Bihe			255,146.00	4,337.48
	Changzhou Baijun			686,990.00	6,869.90
	Shenyang Junyu			195,435.31	1,954.35
	Yunnan Jiaxun			284,626.00	2,846.26
	Changde Dingye			2,348,246.88	37,831.11
	Hengyang Dingheng			168,526.85	1,685.27
	Lanxi			661,937.98	8,304.18

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Zhongliang				
	Luohe Changjian Ronglian			1,221,980.99	20,773.68
	Gongyi Bixin Property			282,758.10	2,827.58
	Changzhou Meike			1,459,747.89	20,315.91
	Changzhou Liangyue			172,625.00	1,726.25
	Hubei Hailujing Suizhou			3,075,965.00	52,291.41
	Ji'an Jincheng			376,640.00	3,766.40
	Qingdao Shimao Boxi			1,677,525.20	28,517.93
	Guose Tianxiang			350,000.00	5,950.00
	Chongqing Hangxing			36,900.00	369.00
	Keyi Microfinance			25,000.00	250.00
	Xingkun Real Estate			90,554.00	905.54
	Wuxi Sunac Real Estate	29,566.68	29,566.68	29,566.68	29,566.68
	Fang Mingfu, Chen Zhongrong			6,835,002.00	102,525.03
	He Rong			92,477.06	1,387.16
	Ningbo Longhong	1,111,756.87	18,899.87		
	Jinke Investment	11,434.00	194.38		
Subtotal		227,537,515.08	7,499,555.55	216,606,739.24	5,153,540.35
Advances paid	Chongqing Aohang	25,930.20		8,612.02	
	Su'nan Construction	46,673.86			
Subtotal		72,604.06		8,612.02	
Other receivables	Chongqing Lambo Bay	209,252,274.00	209,252.27		
	Shandong Elysee	110,226,948.00	110,226.95		
	Changsha Jinzhao	412,471.36	412.47		
	Hunan Jingzhao	94,296,445.56	94,296.45		
	Xinmi Shouli	184,749,459.56	184,749.46		
	Beijing Jinke Jinbi	101,319,514.21	101,319.51		
	Chongqing Xilianjin	33,163,736.04	33,163.74	43,811,475.45	43,811.48
	Chengkou Yinghong	8,699.99	8.70	8,699.99	8.70
	Chongqing Whistler	301,866,115.87	301,866.12	8,089,836.08	8,089.84
	Chongqing Jinbihui	36,275,061.38	36,275.06		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Chongqing Bijinhui	89,995,038.87	89,995.04		
	Chongqing Jinnan Shengtang	3,284,620.10	3,284.62	98,792,384.29	98,792.38
	Chongqing Jinjiahai	12,575,390.74	12,575.39		
	Chongqing Bijiyayi	239,566,165.17	239,566.17	295,916,165.17	295,916.16
	Chongqing Jinjianglian	103,890,131.19	103,890.13	60,356,840.04	60,356.84
	Chongqing Jinbimao	292,269,333.79	292,269.33	215,462,417.83	215,462.42
	Chongqing Jinmeibi	36,074,400.00	36,074.40	48,838,700.00	48,838.70
	Chongqing Mecheng	23,061,709.80	23,061.71	123,296,158.25	123,296.16
	Chongqing Pinjingyue	105,030,000.00	105,030.00	221,509,225.00	221,509.22
	Shijiazhuang Jinke	47,779,940.83	47,779.94	15,117,121.56	15,117.12
	Guocheng Lancheng	64,591,727.57	64,591.73		
	Tianjin Junye	72,626,312.57	72,626.31	72,632,839.13	72,632.84
	Jiashan Shengtai	2,364,324.50	2,364.32		
	Shanghai Longjun	37,327,834.37	37,327.83		
	Jurong Ruihan	96,013,656.05	96,013.66	132,688,656.05	132,688.66
	Nanjing Yuhong	21,927,198.63	21,927.20	327,824,750.00	327,824.75
	Taicang Zhuorun	47,954,128.24	47,954.13		
	Suqian Tongjinhong	182,721,654.81	182,721.65		
	Binzhou Baochi	51,082,745.38	51,082.75	96,750,771.05	96,750.77
	Hubei Hailujing Chimes	84,755,470.51	84,755.47		
	Yunnan Chengding	123,340,934.31	123,340.93	109,066,035.11	109,066.03
	Yulin Longhe	69,946,150.52	69,946.15	86,887,616.31	86,887.62
	Guigang Yuegui	7,880,585.10	7,880.59		
	Guilin Yingsheng	389,918,562.11	389,918.56		
	Zhengzhou Xinyinke	236,400,745.40	236,400.75	72,495,585.28	72,495.59
	Zhongshu Property	490,923,006.25	490,923.01	272,975,801.34	272,975.80
	Yuanwei Consulting	70,000.00	70.00	70,000.00	70.00
	Luohe Hongyao	60,045,428.32	60,045.43		
	Zhoukou Bitian	297,526,998.48	297,527.00		
	Zhumadian Bisheng	157,852,112.37	157,852.11		
	Xinyang	68,415,774.18	68,415.77		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Changyu				
	Foshan Jinji	50,088,330.94	50,088.33	121,786,935.65	121,786.94
	Shangrao Kesong	63,414,936.80	63,414.94	47,250,000.00	47,250.00
	Ji'an Jinsong	163,730,099.51	163,730.10		
	Hubei Hailujing Yandi	54,567,309.53	54,567.31		
	Shanxi Jinke Taihang	674,673.75	674.67		
	Shenyang Junhan	5,386,486.80	5,386.49		
	Sishui Jinmengquan	759,772.42	759.77		
	Wuhan Yeshuo	105,046,008.01	105,046.01		
	Changsha Jinchunjia	113,108,512.96	113,108.51		
	Guangxi Yuanshan	21,600.00	21.60		
	Yuxi Jinke Junhui	27,906,200.28	27,906.20		
	Jiujiang Huadi	145,542,772.27	145,542.77		
	Nanchang Jinxu	95,304,901.23	95,304.90		
	Jiujiang Jinmei	14,600,564.38	14,600.56		
	Pizhou Yihua	95,063,850.00	95,063.85		
	Chongqing Taijun	51,260,280.39	51,260.28	208,613,406.76	208,613.41
	Chongqing Aohang	66,631,341.57	66,631.34	80,351,341.57	80,351.34
	Chongqing Zhongliang Yongsheng	24,399,618.58	24,399.62	31,688.10	31.69
	Chongqing Keshijin	87,691,579.26	87,691.58	134,475,000.00	134,475.00
	Chongqing Shuchen	158,392,049.60	158,392.05		
	Chongqing Weicheng	159,460,337.40	159,460.34		
	Chongqing Jinyuyang	120,507,997.60	120,508.00		
	Ya'an Jinhong	63,828,793.63	63,828.79	34,270,257.63	34,270.26
	Chengdu Chenpan	94,883,445.00	94,883.45		
	Nanchong Hengliang	77,732,490.00	77,732.49		
	Handan Rongkai	166,636,161.00	166,636.16	125,550,565.01	125,550.56
	Shenyang Liangming	106,388,505.75	106,388.51		
	Zhengzhou Liangrui	59,989,085.70	59,989.09		
	Zhangjiagang Dongjun	244,664,874.84	244,664.87		
	Nanjing Jinjun	135,078,686.94	135,078.69		
	Jurong Jinjarun	37,311,324.10	37,311.32	57,780,024.10	57,780.02

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Anqing Jinshixiang	93,209,401.00	93,209.40	128,703,401.00	128,703.40
	Shangrao Yuesheng	38,795,446.85	38,795.45	225,130,158.56	225,130.16
	Zhenjiang Jinhong	21,490,600.60	21,490.60	62,384,045.50	62,384.05
	Jiaxing Jinya	116,548,606.96	116,548.61		
	Suzhou Zhengnuo	49,166,185.31	49,166.19		
	Fuyang Ruihu	9,048,797.82	9,048.80		
	Suzhou Pingtai	120,668,467.09	120,668.47		
	Weifang Delixin	36,732,397.99	36,732.40	35,858,261.96	35,858.26
	Wuhan Fanxiu	48,947,549.04	48,947.55		
	Huarong Bicheng	21,998,801.12	21,998.80	68,677,328.18	68,677.33
	Xinhaihui Property	411,357,844.90	411,357.84		
	Liuzhou Tongxin	94,279,761.59	94,279.76	81,073,642.09	81,073.64
	Kunming Lianghui	125,058,195.96	125,058.20		
	Xinyang Jinshao	71,647,835.39	71,647.84		
	Shangqiu Xinhang	101,144,889.75	101,144.89	113,477,509.02	113,477.51
	Nanyang Zhongliang Chengtong	116,582,238.41	116,582.24		
	Guangzhou Xinze Jiyong	1,886,500.00	1,886.50		
	Guangzhou JingYu	68,622,144.96	68,622.14		
	Yueqing Liangpin	35,700.00	35.70		
	Wenzhou JingRong	261,356,385.96	261,356.39		
	Ningbo Hengxiang	25,747,200.00	25,747.20		
	Wenzhou Glory	95,906,228.40	95,906.23		
	Ningbo Xutuo Management	601,432,267.00	601,432.27		
	Yidu Jiaotou Jinwei	46,485,672.25	46,485.67	36,468,603.15	36,468.60
	Ya'an Haina	111,301,022.00	111,301.02	57,757,722.00	57,757.72
	Jinchen Smart Property	1,819.15	1.82		
	Yixing Baijun	484,668,580.00	484,668.58		
	Zhengzhou Yueyun	36,761,934.00	36,761.93		
	Chongqing Runtian	29,092,000.00	29,092.00		
	Chongqing Jinghuanjin	71,041,200.24	71,041.20		
	Chuangliang Investment	125,687,041.01	125,687.04	361,528,480.50	361,528.48
	Shanxi Jinhengrui			25,000,000.00	25,000.00

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Linquan Jiarun			12,205,560.00	12,205.56
	Lanxi Hongke			95,867,920.41	95,867.92
	Dalian Fengmao			9,955.00	9.95
	Hubei Jiaotou Jinke Property			165,856.17	165.86
	Nanning Jinhong Xianghui	35,402,751.02	35,402.75		
	Dalian Runyu	30,784.40	30.78		
	Xuzhou Meike	7,679,438.25	7,679.44		
	Yunnan Zhangtai	198,040,580.50	198,040.58		
	Jiashan Tianchen			28,362,669.19	28,362.67
	Jinke Junzhi			40,438,977.19	40,438.98
	Xuchang Jinyao			33,086.53	33.09
	Yunnan Jinjia	6,796,164.66	6,796.16		
	Yingtai Huize	100,000,000.00	100,000.00		
	Yingtai Boyuan	100,000,000.00	100,000.00		
	Nanning Yutongjin	34,387,220.99	34,387.22	33,951,040.82	33,951.04
	Fujian Hilton			175,127,888.08	175,127.89
	Suzhou Jinqiao			1,000.00	1.00
	Qingdao Hengmei			12,227,633.00	12,227.63
	Chongqing Meike			280,042,000.00	280,042.00
	Chengdu Shengbu			149,956,699.41	149,956.70
	Zunyi Meijun	545,814.90	545.81	85,909,780.84	85,909.78
	Luoyang Duli			79,686,295.50	79,686.30
	Chengdu Lingpao			9,056,062.01	9,056.06
	Chengdu Yizhi Xingyi			455,731,068.58	455,731.07
	Hengyang Dingheng			24,914,813.73	24,914.81
	Liaocheng Rongshun			103,262,767.00	103,262.77
	Maoming Jinxiao			186,147,850.02	186,147.85
	Chongqing Jinyuehui			94,025.82	94.03
	Taian Jinyanghua			3,145,825.81	3,145.83
	Lanxi Zhongliang			11,991,596.19	11,991.60
	Luohe Changjian Ronglian			80,606,550.00	80,606.55
	Gongyi Bixin Property			106,142,481.00	106,142.48
	Changzhou			80,463,955.17	80,463.95

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Liangyue				
	Hubei Hailujing Suizhou			24,102,776.00	24,102.78
	Ji'an Jincheng			18,730,681.12	18,730.68
	Wenzhou Geyang			154,582,395.00	154,582.39
	Wenzhou Kaiyi			14,154,800.00	14,154.80
	Guangxi Tangpeng			2,711,484.52	2,711.48
	Guangxi Shengchan			15,391,900.31	15,391.90
	Anyang Changjian			86,420,224.28	86,420.22
	Hangzhou Binxin			63,378,137.50	63,378.14
	Chongqing Jinyihui			401,345.20	401.34
	Yiwu Lianxiang			259,327,400.00	259,327.40
	Chongqing Jinyonghe			174,227,500.00	174,227.50
	Gongyi Jinyao Baishi			5,880,000.00	5,880.00
	Jinke Zhixin			31,329.90	31.33
	Wuxi Sunac Construction	10,000.00	10,000.00	10,000.00	10,000.00
	Wuxi Suanc Real Estate	500.00	500.00	500.00	500.00
Subtotal		11,098,451,365.84	11,108,940.87	7,183,653,280.01	7,194,142.78

2. Balance due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable	Chongqing Xionsen	201,600.00	
	Zhanhe Agriculture	130,340.00	130,340.00
	Chongqing Hangxing		45,858,992.35
	Chongqing Jinjiahe	65,857.49	
	Jinke Commercial Factoring [Note 1]	992,008,613.81	639,746,069.09
	Jinke Financial Factoring [Note 1]	179,230,029.51	
	Hengsheng Construction	19,359.70	19,359.70
	Zhongke Group	11,358,209.47	7,743,282.23
Subtotal		1,183,014,009.98	693,498,043.37
Contract liabilities	Dalian Hongkun	2,734,687.38	2,050,059.11
	Jinshang Baishi		1,222,625.56
	Zhongjian Jinlun		3,431,523.18
	Fushang Investment	2,305.00	2,305.00

Items	Related parties	Closing balance	Opening balance
	Liu Jing		425,900.00
	Dalian Fengmao	2,809,785.90	
	Qianshang Property	1,053,754.66	
	Nanchang Jinjun	5,569,860.87	
	Chongqing Jinyuehui	2,174,457.09	
	Zhongke Group	13,889.71	
	Longli Tianchen	812,311.68	
	Changde Dingye	2,795,054.39	
	Yu Yuelin	3,822,057.80	
	Huang Shuaijun	276,310,799.08	
	Li Jin	2,903,280.73	
	Red Star Macalline [Note 2]	527,321,100.92	
	Kunming Red Star Pacific	226,941.23	
	Changsha Red Star Macalline	40,787.00	
Subtotal		828,591,073.44	7,132,412.85
Other payables	Dalian Jinhongji	5,800,000.00	
	Changsha Jingke	116,208,932.29	
	Zhuzhou Jingke	297,649,971.16	
	Hefei Jinjun Meihe	561,713,245.13	
	Chongqing Jinjiahe	9,999.96	23,415,907.64
	Longli Tianchen	189,027,085.45	
	Chongqing Xidao	97,193,239.58	10,358,808.98
	Kunxiang Yutang	18,507,598.21	104,562,561.16
	Chongqing Shengmu	44,903,538.46	532,115,818.25
	Chongqing Jinjia mei	224,955,040.89	
	Chengdu Yizhi Xingyi	8,823,170.00	
	Dalian Hongkun	871,465,087.81	776,546,008.12
	Shijiazhuang Tianyao	235,833,185.16	107,283,196.06
	Shijiazhuang Jinhui	18,278,898.28	12,637,312.37
	Changzhou Jinke	95,474,608.18	86,951,338.13
	Suzhou Jinqiao	145,465,280.00	
	Changzhou Baijun	134,355,556.06	117,725,540.24
	Hefei Bihe	25,446,321.99	35,075,000.00
	Jiashan Shengcheng	230,867,959.46	244,606,078.00
	Qingdao Hengmei	31,414,566.73	

Items	Related parties	Closing balance	Opening balance
	Qingdao Shimao Boxi	33,596,039.18	3,390,116.18
	Hunan Jinke		78,828,733.84
	Liuzhou Luzhai Jinrun	33,417,806.49	
	Nanning Yaoxin	358,940,848.33	342,440,848.33
	Guangxi Tangpeng	73,354,002.72	
	Guangxi Shengcan	68,855,471.12	
	Jinshang Baishi	149,088,650.80	80,127,640.27
	Xuchang Jinyao	26,297,932.20	
	Zhongjian Jinlun	109,919,082.08	172,635,178.60
	Luoyang Duli	130,965,182.00	
	Luohe Changjian Ronglian	23,856,665.40	
	Anyang Changjian	9,683,545.98	
	Xin'an Jianchengt	9,022,684.93	
	Fujian Hilton	24,666,782.35	
	Lanxi Hongke	4,587,563.68	
	Yiwu Lianxiang	92,382,997.17	
	Chongqing Jinxi Health	43,068.20	82,650.47
	Hubei Hailujing Suizhou	436,538.69	
	Shenyang Fuyu Tianxia	28,108,383.02	
	Chongqing Jinmeiyuan	119,670,352.84	
	Chongqing Jinyuhui	244,623,679.24	
	Shanghai Zijing	96,000,000.00	
	Fortune Property	184.11	
	Tianjin Sunshine City Jinke	69,668,350.67	
	Xiangyang Jinjue	50,263,039.57	
	Xiangyang Jinlun	59,614,556.06	
	Wuhan Yejin	20,949,970.44	
	Nanning Qingzhou	76,044,025.41	
	Nanchang Jinjun	3,188,891.09	
	Jinsong Factoring	4,152.00	
	Chongqing Jinyuehui	146,580,648.63	
	Chongqing Jinyonghe	97,623,079.63	
	Chongqing Supin	66,372,693.80	
	Chongqing Meichen	49,027,868.35	
	Maoming Jinxiao	113,816.64	

Items	Related parties	Closing balance	Opening balance
	Chongqing Jinchen Jinyu	30,546,551.64	
	Chengdu Shengbu	15,819,656.99	
	Tianjin Jiabo	77,569,000.00	137,762,524.00
	Suzhou Tianchen	23,555,042.10	19,284,221.59
	Wuxi Fuyang	215,049,870.00	
	Suzhou Xiaojun	65,186,168.77	
	Changzhou Tianchen	282,766,511.57	148,412,452.37
	Hefei Chang'en	194,238,140.43	19,979,749.44
	Changshu Jinchen	378,218,800.00	454,288,800.00
	Xuzhou Liangxu	17,499,986.00	
	Shanghai Red Star Macalline	313.81	
	Wuxi Red Star Macalline	2,000.00	
	Shanghai Aegean	22,449,886.11	
	Guangdong Hongmao	18,126,320.00	
	Kunming Red Star Macalline	1,299,734.94	
	Kunming Red Star Pacific	292,559.00	
	Chongqing Red Star Macalline	26,375.00	
	Chongqing Xingcan	211,747.30	
	Haimen Ganghua	73,831,194.61	
	Hai'an Baijun	10,754,229.98	
	Taicang Xingyu	231,641,975.17	
	Hefei Deyuan	94,572,547.62	
	Taian Jinyanghua	48,366,000.40	
	Liaocheng Rongshun	44,110,764.06	
	Guangxi Miaotai	19,175,723.62	14,875,944.46
	Nanning Jinhongsheng	44,410,620.89	29,830,310.85
	Yunnan Jiaxun	132,070,691.45	129,436,260.45
	Yunnan Jinhongya	362,404,768.42	169,411,384.15
	Guangxi Qianxunlu	105,889,986.64	333,690,000.00
	Guigang Shimao	2,630,858.00	
	Gongyi Bixin Property	21,530,333.00	
	Gongyi Jinyao Baishi	218,552,568.43	
	Quanzhou Hongguang	17,584,000.00	10,323,200.00
	Ji'an Jinchen	53,104,365.33	
	Jinke Yutai		248,923.59

Items	Related parties	Closing balance	Opening balance
	Hangzhou Jinyu	12,800,000.00	46,000,000.00
	Lanxi Zhongliang	43,740,392.32	
	Taizhou Shimao Xinlicheng	251,801,293.60	
	Wenzhou Liangyi	110,326,933.33	
	Hangzhou Caican	47,558,000.00	
	Jinke Jeifu	32,908,888.89	30,000,000.00
	Yinhai Lease	1,301,491.64	1,301,491.64
	Wenzhou Geyang	139,062,000.00	
	Wenzhou Kaiyi	15,925,988.90	
	Hangzhou Binxin	51,846,862.50	
	Jinke Golden Education		200,000.00
	Jinke Yukun		189,000.00
	Huidian Tricolor		100,000.00
	Jiashan Shengtai		312,421.62
	Guokong Lancheng		44,956,809.63
	Nanning Sunac		538,890,784.00
	Chongqing Jinjiahai		114,824,609.26
	Chongqing Jinbihui		84,674,938.62
	Qianhai Botong		24,495.04
	Taicang Zhuorun		20,257,446.00
	Yueyang Dingyue		58,109,913.94
	Changde Dingye		29,915,502.36
	Changzhou Meike		1,459,747.89
	Jinke Investment		157,124,166.66
	Keyi Microfinance	117,743.06	226,255.23
	Zhongke Group		302,453.55
	Qianpeng Property		14.00
Subtotal		9,161,240,723.14	5,325,196,556.98

Note 1: This is due to the fact that the upstream suppliers of the Company's subordinate project companies carry out the supply chain financing business, and choose Qianhai Lianjie, Qianhai Lianyi, Qianhai Weizhong, Qianhai Yifang Yingsheng, Jinke Commercial Factoring and other entities to carry out factoring financing. The project company then transfers the amount originally payable to the upstream supplier to the factoring unit according to the notice of transfer of creditor's rights received.

Note 2: The Company and its wholly-owned subsidiary 重庆金科中俊房地产开发有限公司

(Chongqing Jinke Zhongjun Real Estate Development Co., Ltd.*, the “Jinke Zhongjun”) entered into agreements with Red Star Macalline and other partners on January 24, 2018. Red Star Macalline purchased commercial properties approximately covering 80,000 square meters of the “Jinke Times Center Project” that developed by Jinke Zhongjun in Zhaomu Mountain at a transaction price of approximately 800 million yuan. As of December 31, 2020, Red Star Macalline had paid 574 million yuan (tax included) to Jinke Zhongjun under the agreement, and the project had not been completed and delivered.

XI. Share-based payment

(I) Overall information

1. Details

Total equity instruments granted in current period	
Total equity instruments vested in current period	77,188,800.00
Total equity instruments retired in current period	590,400.00
The range of exercise prices of share options outstanding at the end of the period and the remaining contractual life	
The range of exercise prices of other equity instruments at the end of the period and the remaining contractual life	Reserved restricted shares granted by the Company on December 8, 2016 are 2.62 yuan per share, which shall be locked for one year since the grant date and can be vested by 4 installments at the annual rate of 25% after the expiration of the lock-up period.

2. Other remarks

Restricted shares initially granted under the Company’s equity incentive plan are 191.44 million shares, of which, 14.83 million shares were repurchased and 43.83 million shares were unlocked in 2016, 3.32 million shares were repurchased and 43.09 million shares were unlocked in 2017, 4.49 million shares were repurchased and 40.79 million shares were unlocked in 2018, and 2.08 million shares were repurchased in 2019. In accordance with the validity period, lock-up period and arrangements for vesting or unlocking of the incentive plan, the Company repurchased 307,500 restricted shares which were granted to 11 natural persons but not yet unlocked at a price of 1.92 yuan per share in cash. Meanwhile, the conditions for the fourth unlocking of restricted shares had been satisfied, therefore, the application for unlocking 38.72 million restricted shares held by 122 qualified incentive targets was deliberated and approved by the 52nd meeting of the tenth session of the Board of Directors on July 20, 2020.

The Company granted reserved restricted shares of 10.30 million shares to 12 incentive targets in 2016, unlocked 2.58 million shares in 2017, repurchased 1.13 million shares and unlocked 2.20 million shares in 2018, and repurchased 0.2 million shares in 2019. Meanwhile, the conditions for

* The English name is for identification purpose only.

the third unlocking of reserved restricted shares had been satisfied, therefore, the application for unlocking 2.10 million restricted shares held by 9 qualified incentive targets was deliberated and approved by the 52nd meeting of the tenth session of the Board of Directors on July 20, 2020.

As of December 31, 2020, the write-off formalities of the above repurchased restricted shares of 8.29 million shares have not been completed.

(II) Equity-settled share-based payment

Determination method for grant-date fair value of equity instruments	Determined on the basis of grant-date value after deducting costs arising from restricted factors
Determination method for the number of equity instruments expected to vest	Determined on the basis of the performance condition of each vesting period and assessment results of incentive targets
Reasons for significant difference between the estimates in current period and preceding period	None
Capital reserve accumulated due to equity-settled share-based payment	109,258,749.05
Total expenses incurred due to equity-settled share-based payment transactions	61,825.22

XII. Commitments and contingencies

(I) Significant commitments

As of December 31, 2020, the agreed expenditure of capital projects with contracts signed but unpaid (mainly are contracts for land) totals 4,441,050,700 yuan, which should be paid within several years when the other party fulfills the obligations stipulated in the contracts. Details are as follows:

Unit: in ten thousand yuan

Items	Contract amount	Accumulated payment	Outstanding balance
Contract for acquisition and construction of long-term assets	806,034.21	404,568.91	401,465.30
Equity payment	367,828.48	325,188.71	42,639.77
Total	1,173,862.69	729,757.62	444,105.07

(II) Contingencies

1. Contingent liabilities incurred by providing guarantees to external parties

The Company and its subsidiaries provide mortgage guarantee for commercial housing buyers according to the practice of real estate. The guarantee is periodic and covers the period from the effective date of guarantee contract to the date when relevant house property ownership certificate is issued and taken over to the bank, and the mortgage registration procedure is completed. As of December 31, 2020, the amount guaranteed by the Company and its subsidiaries is 38,700.18 million yuan and the amount paid for periodic joint and several guarantee liability is 68.71 million yuan. The Company and its subsidiaries have assessed relevant guarantee risks and their effects

on the financial statements, taken relevant measures to recover and made provision for bad debts during the reporting period accordingly.

2. Contingent liabilities incurred by providing debt guarantees for other entities and the financial effect

Please refer to notes to the related parties and related party transactions for details.

XIII. Events after the balance sheet date

(I) Significant non-adjusted events

1. The Company was approved to issue corporate bonds with outstanding par value not exceeding 8 billion yuan to professional investors under the document numbered Zheng Jian Xu Ke [2020] 3217 by CSRC.

According to the Announcement of the Issuance of Corporate Bonds (Phase I) of Jinke Property Group Co., Ltd. to Professional Investors, in 2021, the Company issued corporate bonds with outstanding par value not exceeding 1.9 billion yuan to professional investors. The bonds would be divided into two categories, the Category A was of 4-year term (attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of second interest year) and the Category B was of 5-year term (attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of third interest year). The issuing scale of the two categories can be allocated to each other without any proportional limit. The Company had completed the issuance from January 27, 2021 to January 28, 2021, of which, the final issuing amount of Category A is 750 million yuan, with coupon rate of 6.20%, while Category B has not yet been issued.

According to the Announcement of the Issuance of Corporate Bonds (Phase II) of Jinke Property Group Co., Ltd. to Professional Investors, in 2021, the Company issued corporate bonds with outstanding par value not exceeding 2.2 billion yuan to professional investors through off-line enquiry and allotment method, each with price of 100 yuan. The bonds were of 4-year term (attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of second interest year). The Company had completed the issuance from March 3, 2021 to March 4, 2021, of which, the final issuing amount is 2.2 billion yuan, with coupon rate of 6.30%.

(II) Profit distribution after the balance sheet date

Profit or dividend planned to be distributed	It is intended to distribute cash dividend of 4.50 yuan (tax included) per 10 shares to all shareholders based on the share capital as at December 31, 2020 (excluding shares repurchased and cancelled).
Profit or dividend approved to be distributed	None

XIV. Other significant events

(I) Segment information

1. Identification basis for reportable segments

Reportable segments are identified according to the structure of the Company's internal organization, management requirements and internal reporting system, and based on industry segments. Assessments are respectively performed on the operation performance of real estate sale business, life service business and hotel management business. Assets and liabilities shared by different segments are allocated among segments proportionate to their respective sizes.

2. Financial information of reportable segments

Industry segment

Unit: in ten thousand yuan

Items	Real estate sales	Life services	Real estate construction	Hotel management
Revenue from main operations	8,237,640.30	294,434.41	683,880.95	22,295.86
Cost of main operations	6,349,781.46	199,439.43	624,773.14	6,851.68
Total assets	87,174,040.90	1,243,623.74	1,159,054.92	452,708.80
Total liabilities	71,317,700.06	518,253.05	1,052,709.86	297,664.82

(Continued)

Items	Materials sales	Wind energy investment development	Inter-segment offsetting	Total
Revenue from main operations	392,577.19	139,311.00	-1,087,897.24	8,682,242.47
Cost of main operations	369,865.35	105,552.13	-993,861.75	6,662,401.44
Total assets	1,549,962.97	793,808.71	-54,257,402.19	38,115,797.85
Total liabilities	1,494,827.06	411,357.35	-44,326,547.77	30,765,964.43

(II) Other significant transactions and events that maybe influential for investors in decision-making

1. Pledge of shareholder's equity

As of December 31, 2020, details of the Company's frozen shares for pledge are as follows:

Holders	Number of frozen shares	Pledges	Freezing type	Pledging/Freezing date
Jinke Investment	200,000,000.00	蒲心淑 (Pu Xinshu)	Pledge	7/17/2018
	171,670,000.00	Pu Xinshu	Pledge	7/18/2018
	20,760,000.00	重庆三峡银行股份有限公司 (Chongqing Three Gorges Bank Co., Ltd.*)	Pledge	7/31/2018
	13,740,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	7/31/2018

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Holders	Number of frozen shares	Pledgeses	Freezing type	Pledging/Freezing date
	10,390,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	7/31/2018
	23,214,286.00	中国光大银行股份有限公司重庆分行 (Chongqing Branch of China Everbright Bank Co., Ltd.*)	Pledge	5/26/2020
	22,600,000.00	中信证券股份有限公司 (CITIC Securities Co., Ltd.*)	Pledge	9/7/2020
	3,400,000.00	CITIC Securities Co., Ltd.	Pledge	11/2/2020
	4,000,000.00	CITIC Securities Co., Ltd.	Pledge	12/24/2020
	31,000,000.00	中国银河证券股份有限公司 (China Galaxy Securities Co., Ltd.*)	Pledge	4/20/2020
	66,000,000.00	国信证券股份有限公司 (Guosen Securities Co., Ltd.*)	Pledge	4/24/2019
	7,060,000.00	Guosen Securities Co., Ltd.	Pledge	5/8/2019
	6,730,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	6/26/2018
	39,770,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	6/26/2018
Huang Hongyun	38,100,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	9/28/2018
	38,100,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	9/28/2018
	38,100,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	9/28/2018
	66,175,000.00	国泰君安证券股份有限公司 (Guotai Jun'an Securities Co., Ltd.*)	Pledge	6/5/2019
	25,055,000.00	Guotai Jun'an Securities Co., Ltd.	Pledge	6/5/2019
Guangdong Hongmin	587,368,740.00	五矿国际信托有限公司 (Minmetals International Trust Co., Ltd.*)	Pledge	5/25/2020
Jiang Sihai	9,615,386.00	中国国际金融股份有限公司 (China International Capital Corporation Limited*)	Pledge	9/14/2020
	28,846,155.00	China International Capital Corporation Limited	Pledge	9/14/2020
Other non-related party natural persons	35,200,000.00		Pledge	
Other non-related party natural persons	2,529,591.00		Judicial freeze	
Total	1,489,424,158.00			

2. Employee co-investments

(1) As of December 31, 2020, the Company has 415 projects with employees as co-investors in total, with co-investment amount totaling 1,771,924,830.78 yuan, in which, 257 co-investment projects are within the consolidation scope, with co-investment amount of 1,413,579,335.14 yuan. Among them, the equity capital input was 425,148,409.52 yuan, and the debt capital input was 988,430,925.62 yuan.

(2) In order to promote the development of employees' co-investments and ensure that the

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co-investment companies with employees as co-investors enjoy rights and bear obligations of the project companies in line with the Company. In accordance with the business practice of real estate companies and the joint venture cooperation agreements, all the shareholders of the project companies (including the Company) have the right to temporarily use the project companies' temporarily idle funds. As of December 31, 2020, details of capital input, capital return and idle funds on loan provided by the co-investment companies with employees as co-investors are as follows:

Co-investment companies	Capital input		Capital return				Whether overrun
	Equity capital input	Debt capital input	Debt capital return (A)	Idle funds on loan (B)	Funds lent by co-investment companies to commercial companies (C)	Net amount of funds actually returned or on loan (D=A+B+C)	
天津金卓未来企业管理合伙企业（有限合伙） (Tianjin Jinzhuo Future Corporate Management Partnership (LP)*)	764,791.00	3,435,209.00	714,706.00	0.00	651,773.34	62,932.66	No
天津金和顺企业管理合伙企业（有限合伙） (Tianjin Jinheshun Enterprise Management Partnership (LP)*)	171,400,634.83	388,515,304.99	349,945,481.00	393,466,911.00	430,896,090.32	312,516,301.68	No
Tianjin Jinfushun	14,262,403.10	29,354,203.90	24,828,458.00	0.00	339,073.51	24,489,384.49	No
天津金耀辉企业管理合伙企业（有限合伙） (Tianjin Jinyahui Enterprise Management Partnership (LP)*)	98,470,935.08	219,818,785.17	209,012,843.00	260,058,222.54	291,237,419.26	177,833,646.28	No
天津金凯鑫企业管理合伙企业（有限合伙） (Tianjin Jinkaixin Enterprise Management Partnership (LP)*)	36,692,565.75	82,945,411.22	72,567,425.03	34,279,604.00	40,636,215.85	66,210,813.18	No
天津金泰辉企业管理合伙企业（有限合伙） (Tianjin Jintaihui Enterprise Management Partnership (LP)*)	21,085,337.00	64,985,663.00	57,170,321.00	39,921,261.00	40,379,740.92	56,711,841.08	No
天津金渝未来企业管理合伙企业（有限合伙） (Tianjin Jinyu Future Corporate Management Partnership (LP)*)	26,551,899.90	57,729,293.10	55,826,826.60	54,367,236.00	67,386,032.68	42,808,029.92	No
天津金泰鼎企业管理合伙企业（有限合伙） (Tianjin Jintaiding Enterprise Management Partnership (LP)*)	6,333,240.00	15,975,360.00	13,463,280.00	14,870,996.00	15,663,444.01	12,670,831.99	No
天津金皇未来企业管理合伙企业（有限合伙） (Tianjin Jinhuang Future Enterprise Management Partnership (LP)*)	7,061,933.17	12,644,995.83	9,085,519.00	10,167,951.00	9,355,929.89	9,897,540.11	No
天津金丰未来企业管理合伙企业（有限合伙） (Tianjin Jinfeng Future Enterprise Management Partnership (LP)*)	9,214,900.00	20,480,100.00	17,127,783.00	15,157,078.00	23,812,596.97	8,472,264.03	No
天津金骏未来企业管理合伙企业（有限合伙） (Tianjin Jinjun Future Corporate Management Partnership (LP)*)	1,885,500.00	4,399,500.00	2,769,790.97	1,084,008.01	2,165,676.18	1,688,122.80	No
天津金致企业管理合伙	4,539,807.37	14,112,108.63	10,891,431.00	4,576,388.00	7,859,995.74	7,607,823.26	No

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Co-investment companies	Capital input		Capital return				Whether overrun
	Equity capital input	Debt capital input	Debt capital return (A)	Idle funds on loan (B)	Funds lent by co-investment companies to commercial companies (C)	Net amount of funds actually returned or on loan (D=A+B+C)	
企业 (有限合伙) (Tianjin Jinzhi Enterprise Management Partnership (LP)*)							
天津金瑞辉企业管理合伙企业 (有限合伙) (Tianjin Jinruihui Enterprise Management Partnership (LP)*)	10,443,230.62	27,920,007.38	24,108,096.00	23,580,310.00	30,288,939.70	17,399,466.30	No
天津金天耀企业管理合伙企业 (有限合伙) (Tianjin Jintianyao Enterprise Management Partnership (LP)*)	5,735,400.00	13,382,600.00	13,382,600.00	14,928,523.00	22,710,095.15	5,601,027.85	No
天津金湘未来企业管理合伙企业 (有限合伙) (Tianjin Jinxiang Future Enterprise Management Partnership (LP)*)	2,450,297.00	8,361,703.00	6,399,400.00	3,258,596.00	3,363,546.34	6,294,449.66	No
天津金赣未来企业管理合伙企业 (有限合伙) (Tianjin Jingan Future Enterprise Management Partnership (LP)*)	2,824,789.50	6,591,175.50	6,317,830.00	3,082,105.00	3,236,826.87	6,163,108.13	No
天津金百嘉企业管理合伙企业 (有限合伙) (Tianjin Jinbaijia Enterprise Management Partnership (LP)*)	202,500.00	472,500.00	472,500.00	1,590,160.00	1,843,198.50	219,461.50	No
天津金宏未来企业管理合伙企业 (有限合伙) (Tianjin Jinhong Future Enterprise Management Partnership (LP)*)	4,676,010.00	15,857,490.00	13,756,575.00	15,521,040.00	22,085,710.16	7,191,904.84	No
天津金景未来企业管理合伙企业 (有限合伙) (Tianjin Jinjing Future Enterprise Management Partnership (LP)*)	442,632.69	1,147,367.31	1,113,000.00	790,067.00	1,828,399.00	74,668.00	No
天津金鑫达企业管理合伙企业 (有限合伙) (Tianjin Jinxinda Enterprise Management Partnership (LP)*)	109,602.51	302,147.59	36,264.00	13,736.00	0.00	50,000.00	No
Total	425,148,409.52	988,430,925.62	888,990,129.60	890,714,192.55	1,015,740,704.39	763,963,617.76	

3. Employee stock ownership plans

(1) Excellence win-win plan and employee stock ownership plan

Pursuant to the Proposal on the Company's Excellence Win-Win Plan and Employee Stock Ownership Plan (Draft) and Relevant Summary deliberated and approved by the 33rd meeting of the tenth session of Board of Directors dated May 20, 2019 and the fourth extraordinary shareholders' meeting of 2019 dated June 6, 2019, the main terms of the above plan are as follows:

1) Scale of the plan

According to the plan, the total number of shares held by all valid employee stock ownership plans should not exceed 10% of the Company's total share capital in aggregate, and the total

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number of shares corresponding to the equity acquired by an individual participant shall not exceed 1% of the total share capital in aggregate.

2) Fund sources of the plan

The sources could be employee's legitimate remuneration, self-funding, funds raised through financing and other means permitted by laws and administrative regulations such as special funds accrued by the Company, of which, the appropriation of special funds would be determined based on the following method:

For the growth ratio of the audited net profit attributable to the parent company of any year of 2019, 2020, 2021 or 2022 (hereinafter referred to as the assessment year) compared to the net profit of 3.89 billion yuan in 2018, if it is not less than the net profit growth target corresponding to each assessment year in the following table, the special fund for the next assessment year would be appropriated at 3.5% of the net profit in the current assessment year. The growth ratios for each assessment year are as follows:

Year	2019	2020	2021	2022
Net profit growth target	30%	60%	90%	110%

The special funds are treated as the sources of subsequent employee stock ownership plans in this plan. The Company would appropriate special funds within one month since the date of disclosing the annual audited financial report for the current assessment year based on the above-mentioned rules; one month later after appropriation of the special funds, the President Office would decide a pre-distribution of the special funds to participants and submit the employee stock ownership plan to the Board of Directors for deliberation and implementation.

(2) Phase I plan of excellence win-win plan and employee stock ownership plans from 2019 to 2023

1) Basic information of phase I plan

Pursuant to the Proposal on the Company's Phase I Plan of Excellence Win-Win Plan and Employee Stock Ownership Plans from 2019 to 2023 (Draft) and Relevant Summary deliberated and approved by the 41st meeting of the tenth session of Board of Directors dated December 9, 2019 and the tenth extraordinary shareholders' meeting of 2019 dated December 20, 2019, the main terms of the above plan are as follows:

The holders of phase I plan of excellence win-win plan and employee stock ownership plans from 2019 to 2023 (the "phase I plan") include directors (excluding independent directors), supervisors, senior executives and employees of the Company, with total number not over 2,500 people. The total amount of the funds planned should not exceed 2.5 billion yuan, of which, funds raised by employees should not exceed 1.25 billion yuan, fund raised through means permitted by laws and regulations should not exceed 1.25 billion yuan. Mr. Huang Hongyun, the actual controller of the Company, would provide the principal and benefit guarantee for the employees participating the current plan to ensure an annualized return of 6% on funds raised by employees in the form of

cash.

2) Availability and use of funds on phase I plan

As of December 31, 2020, the special account (opened by the Company on behalf) for raising funds for phase I plan had received funds raised by employees totaling 932,901,531.01 yuan. Additionally, according to Cooperation Agreement on the Management of Funds Under the Employee Stock Ownership Plans entered into between the Management Committee of the phase I plan and the Company, the sinking fund retained in the special account before the purchase of the Company's shares would form a cooperative relationship to satisfy the Company's operation demands. The sinking fund usage fee would be calculated based on the annualized average cost of funds obtained from financial institutions in the current year, the number of days occupied and the balance of funds occupied. As of the end of the reporting period, the Company accrued the fund usage fee of 18.11 million yuan based on the actual usage of the sinking fund. A total of 221.13 million shares were purchased in phase I plan, accounting for 4.14% of the Company's total share capital, with average transaction price of 7.66 yuan per share. Pursuant to the Phase I Plan of Employee Stock Ownership Plans (Draft), these shares should be locked up for 24 months since the date of the Company's announcement on the latest purchased shares being registered and transferred into the account corresponding to the phase I plan (i.e., from June 19, 2020 to June 18, 2022).

(3) Phase II plan of excellence win-win plan and employee stock ownership plans from 2019 to 2023

1) Basic information of phase II plan

Pursuant to the Proposal on the Company's Phase II Plan of Excellence Win-Win Plan and Employee Stock Ownership Plans from 2019 to 2023 (Draft) and Relevant Summary deliberated and approved by the 46th meeting of the tenth session of Board of Directors dated April 13, 2020 and the fourth extraordinary shareholders' meeting of 2020 dated April 29, 2020, the main terms of the above plan are as follows:

The holders of phase II plan of excellence win-win plan and employee stock ownership plans from 2019 to 2023 (the "phase II plan") are employees of the Company, with total number not over 2,100 people.

The source for phase II plan is the special funds amounting to 198,653,918.98 yuan that appropriated at 3.5% of the audited net profit of 2019 attributable to the parent company in amount of 5,675,826,256.49 yuan. The Company intends to adopt financing, securities financing, and other means permitted by laws and regulations to achieve a ratio of financing funds to special funds not more than 1:1, i.e., the amount of financing would not exceed 198,653,918.98 yuan. The duration of phase II plan would be 24 months from the date of approval by the shareholders' meeting, with a lock-up period of 12 months.

2) Availability and use of funds on phase II plan

As of December 31, 2020, the special account of raising funds for phase II plan had received special funds totaling 198,653,918.98 yuan that appropriated at 3.5% of the audited net profit of 2019 attributable to the parent company. A total of 37.31 million shares were purchased in phase II plan, accounting for 0.6987% of the Company's total share capital, with average transaction price of 9.725 yuan per share, and actual transaction amount of 362.82 million yuan, of which, the amount purchased using special funds was 187.55 million yuan, and the amount purchased under margin trading and short selling was 175.27 million yuan. Pursuant to the Phase II Plan of Employee Stock Ownership Plans (Draft), these shares should be locked up for 12 months since the date of the Company's announcement on the latest purchased shares being registered and transferred into the account corresponding to the phase II plan (i.e., September 22, 2020 to September 21, 2021).

4. Transactions between the Company and the related parties of Guangdong Hongmin before Guangdong Hongmin becoming a major shareholder of the Company

(1) Equity acquisition of Aegean Commercial

On March 31, 2020, the Company entered into an agreement with Macalline Holding, Shanghai Aegean and their subsidiaries to acquire the equities of Shanghai Zhancui, Shanghai Gongping, Shanghai Xuanxuan, Shanghai Luomang, Shanghai Ruixi, and Shanghai Qinbao that controlled by Macalline Holding and held by Shanghai Aegean, respectively. The shares of project companies that held by the above-mentioned companies, which have three operating property projects including Cixi Aegean Shopping Park, Kunming Aegean Shopping Park and Chongqing Aegean Shopping Park, together with the shares of the commercial management companies for project operation were acquired by the Company through above acquisition. Relevant equity transaction consideration and time of delivery are as follows:

Acquisition subjects	Acquisition consideration	Completion date of equity change
Shanghai Zhancui	430,493,200.00	5/12/2020
Shanghai Gongping	110,514,900.00	5/12/2020
Shanghai Xuanxuan	700,063,000.00	4/9/2020
Shanghai Luomang	241,422,700.00	4/9/2020
Shanghai Ruixi	568,778,200.00	4/7/2020
Shanghai Qinbao	154,634,000.00	4/9/2020
Total	2,205,906,000.00	

Macalline Holding, Shanghai Aegean and their subsidiaries are controlled by the actual controller of Guangdong Hongmin, the Company's major shareholder. As of December 31, 2020, the Company had made a transfer payment of 2,097,394,200.00 yuan.

(2) Purchase of shopping coupons

In reporting period, the Company entrusted Red Star Macalline to provide "one-stop home

decoration” marketing strategy services, who provided shopping cash coupons totaling 300 million yuan to newly contracted customers (property owners). The shopping coupons are valid from May 1, 2020 to August 31, 2023. The Company paid fees of 255 million yuan for the marketing services.

XV. Notes to items of parent company financial statements

(I) Notes to items of parent company balance sheet

1. Accounts receivable

(1) Details

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	6,949,224.90	100.00	3,013,861.75	43.37	3,935,363.15
Total	6,949,224.90	100.00	3,013,861.75	43.37	3,935,363.15

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	12,314,902.65	100.00	2,305,268.22	18.72	10,009,634.43
Total	12,314,902.65	100.00	2,305,268.22	18.72	10,009,634.43

2) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
House sales receivables	6,884,821.23	2,965,953.48	43.08
Balances of other services	64,403.67	47,908.27	74.39
Subtotal	6,949,224.90	3,013,861.75	43.37

3) Accounts receivable with provision made on a collective basis using portfolio grouped with ages

a. Portfolio grouped with balances of house sales

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	148,426.63	2,226.40	1.50
1-2 years	55,205.00	2,760.25	5.00
2-3 years	1,265,426.56	253,085.31	20.00
3-5 years	5,415,763.04	2,707,881.52	50.00
Subtotal	6,884,821.23	2,965,953.48	43.08

b. Portfolio grouped with balances of other services

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	16,780.67	285.27	1.70
Over 5 years	47,623.00	47,623.00	100.00
Subtotal	64,403.67	47,908.27	74.39

(2) Changes in provision for bad debts

Items	Opening balance	Increase			Decrease			Closing balance
		Accrual	Recovery	Others	Reversal	Write-off	Others	
Receivables with provision made on a collective basis	2,305,268.22	718,983.05				10,389.52		3,013,861.75
Subtotal	2,305,268.22	718,983.05				10,389.52		3,013,861.75

(3) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Customer 1	110,000.00	1.58	22,000.00
Customer 2	99,285.36	1.43	1,489.28
Customer 3	57,916.00	0.83	11,583.20
Customer 4	55,801.90	0.80	11,160.38
Customer 5	53,412.38	0.77	801.19
Subtotal	376,415.64	5.41	47,034.05

2. Other receivables

(1) Details

Items	Closing balance	Opening balance
Dividend receivable	527,491,355.43	2,578,927,565.14
Other receivables	119,491,852,504.94	97,162,877,406.73
Total	120,019,343,860.37	99,741,804,971.87

(2) Dividend receivable

Items	Closing balance	Opening balance
Chengdu Jinke Real Estate Development Co., Ltd.	279,000,000.00	279,000,000.00
重庆市金科实业集团弘景房地产开发有限公司(Chongqing Jinke Industrial Group Hongjing Real Estate Development Co., Ltd.*)		1,268,445,747.62
重庆中讯物业发展有限公司(Chongqing Zhongxun Property Development Co., Ltd.*)		9,936,677.91
Qingke Trading	132,000,000.00	132,000,000.00
Chongqing Kelsinki	9,917,783.47	
Chongqing Jinke		650,000,000.00
重庆市金科骏耀房地产开发有限公司(Chongqing Jinke Junyao Real Estate Development Co., Ltd.*)	106,573,571.96	239,545,139.61
Subtotal	527,491,355.43	2,578,927,565.14

(3) Other receivables

1) Details

a. Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	119,509,718,186.73	100.00	17,865,681.79	0.01	119,491,852,504.94
Subtotal	119,509,718,186.73	100.00	17,865,681.79	0.01	119,491,852,504.94

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	97,209,270,224.03	100.00	46,392,817.30	0.05	97,162,877,406.73
Subtotal	97,209,270,224.03	100.00	46,392,817.30	0.05	97,162,877,406.73

b. Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)

* The English names are for identification purpose only.

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from associates and joint ventures	4,208,857,624.24	4,208,857.62	0.10
Portfolio grouped with deposits	32,807,547.88	16,403.77	0.05
Portfolio grouped with balances due from related parties within the consolidation scope	115,196,766,589.44		
Portfolio grouped with ages	71,286,425.17	13,640,420.40	19.13
Including: Within one year	47,262,826.64	472,628.27	1.00
1-2 years	7,765,915.10	388,295.76	5.00
2-3 years	4,159,845.58	831,969.12	20.00
3-4 years	294,020.77	144,070.17	49.00
4-5 years	1,000.00	640.00	64.00
Over 5 years	11,802,817.08	11,802,817.08	100.00
Subtotal	119,509,718,186.73	17,865,681.79	0.01

2) Age analysis

Ages	Closing book balance
Within 1 year	96,697,586,685.64
1-2 years	15,909,441,810.58
2-3 years	6,678,579,177.19
3-4 years	20,658,134.60
4-5 years	872,408.81
Over 5 years	202,579,969.91
Subtotal	119,509,718,186.73

3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	4,565,680.27	41,827,137.03		46,392,817.30
Opening balance in current period				
--Transferred to phase II				
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in current period	1,513,844.44	-43,860.31		1,469,984.13
Provision recovered in current period				

Items	Phase I	Phase II	Phase III	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Provision reversed in current period				
Provision written off in current period		29,997,119.64		29,997,119.64
Other changes				
Closing balance	6,079,524.71	11,786,157.08		17,865,681.79

4) Other receivables written off in current period

Debtors	Nature of receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Whether arising from related party transactions
Zhongchuan International Mining Holding Co., Ltd.	Earnest money	29,997,119.64	Case closed	Deliberated and approved by the Management	No
Subtotal		29,997,119.64			

5) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposits	32,807,547.88	115,924,947.88
Balances due from related parties within the consolidation scope	115,196,766,589.44	93,627,363,229.73
Balances due from associates and joint ventures	4,208,857,624.24	3,365,292,194.62
Others	71,286,425.17	100,689,851.80
Total	119,509,718,186.73	97,209,270,224.03

6) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Chongqing Jinke	Balances due from related parties within the consolidation scope	13,382,488,683.03	1-2 years	11.20	
北京金科展昊置业有限公司 (Beijing Jinke Zhanhao Property Co., Ltd.*)	Balances due from related parties within the consolidation scope	6,299,441,846.36	Within 1 year	5.27	
无锡金科房地产开发有限公司 (Wuxi Jinke Real Estate Development Co., Ltd.*)	Balances due from related parties within the consolidation scope	6,157,423,351.16	1-3 years	5.15	
金科集团苏州房地产开发有限公司 (Jinke Group Suzhou Real Estate Development Co., Ltd.*)	Balances due from related parties within the consolidation scope	4,181,687,311.81	1-3 years	3.50	
Chengdu Jinke Real Estate Development Co., Ltd.	Balances due from related parties within the consolidation scope	3,652,019,074.58	1-3 years	3.06	

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Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Subtotal		33,673,060,266.94		28.18	

3. Long-term equity investments

(1) Details

Items	Closing balance			Opening Balance [Note]		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	26,475,398,493.48		26,475,398,493.48	21,726,983,493.48		21,726,983,493.48
Investments in associates and joint ventures	918,806,410.39		918,806,410.39	1,357,803,849.72		1,357,803,849.72
Total	27,394,204,903.87		27,394,204,903.87	23,084,787,343.20		23,084,787,343.20

Note: Please refer to section III (XXXV) 1 (1) 2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2019).

(2) Investments in subsidiaries

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
北京金科弘居置业有限公司 (Beijing Jinke Hongju Real Estate Co., Ltd.*)	697,100,000.00			697,100,000.00		
Beijing Jinke Xingyuan Property Co., Ltd.	140,000,000.00			140,000,000.00		
成都市江龙投资有限公司 (Chengdu Jianglong Investment Co., Ltd.*)	394,000,000.00			394,000,000.00		
Gaochi International Design Co., Ltd.	13,125,000.00		13,125,000.00			
济南金西城房地产开发有限公司 (Jinan Jinxicheng Real Estate Development Co., Ltd.*)	510,000,000.00			510,000,000.00		
金科(重庆)产业股权投资基金管理有限责任公司 (Jinke (Chongqing) Industrial Equity Investment Fund Management Co., Ltd.*)	38,250,000.00	11,750,000.00		50,000,000.00		
金科产业投资发展集团有限公司 (Jinke Industrial Investment Development Group Co., Ltd.*)	500,000,000.00			500,000,000.00		
Wuhan Jinke	1,142,625,000.00			1,142,625,000.00		
金科金教育投资有限公司 (Jinke Golden Education Investment Co., Ltd.*)	25,000,000.00			25,000,000.00		
Jinke New Energy Co., Ltd.	2,000,000,000.00			2,000,000,000.00		

* The English names are for identification purpose only.

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Jinke Services	37,500,000.00			37,500,000.00		
Shaanxi Jinrunda Real Estate Development Co., Ltd.	10,200,000.00			10,200,000.00		
深圳金科产业投资基金管理有限责任公司 (Shenzhen Jinke Industry Investment Fund Management Co., Ltd.*)	50,000,000.00			50,000,000.00		
Shenzhen Jinke Zeda Property Co., Ltd.	12,000,000.00	7,900,061.94	19,900,061.94			
云南金万众房地产开发有 限公司 (Yunnan Jinwanzhong Real Estate Development Co., Ltd.*)	15,867,918.45			15,867,918.45		
Chongqing Jinke Real Estate Development Co., Ltd.	12,877,587,646.97			12,877,587,646.97		
重庆金科金辰酒店管理有 限公司 (Chongqing Jinke Jinchen Hotel Management Co., Ltd.*)	2,000,000.00		2,000,000.00			
Chongqing Jinke Enterprise Management Group Co., Ltd.		5,000,000,000.00		5,000,000,000.00		
Chongqing Jinyuchen Real Estate Development Co., Ltd.		335,500,000.00		335,500,000.00		
Chongqing Kelsinki Horticulture Co., Ltd.	100,000,000.00		100,000,000.00			
重庆蓬得企业管理有限公 司 (Chongqing Pengde Enterprise Management Co., Ltd.*)	2,000,000.00		2,000,000.00			
Chongqing Qiding		36,000,000.00	36,000,000.00			
Chongqing Qingheng Trading Co., Ltd.	49,810,000.00		49,810,000.00			
Qingke Trading	176,000,000.00		176,000,000.00			
重庆市璧山区金科众玺置 业有限公司 (Chongqing Bishan Jinke Zhongxi Property Co., Ltd.*)	400,000,000.00	300,000.00		400,300,000.00		
重庆市江津区金科国竣置 业有限公司 (Chongqing Jiangjin Jinke Guojun Property Co., Ltd.*)	987,424,013.72			987,424,013.72		
Chongqing Jinke Junyao Real Estate Development Co., Ltd.	1,184,908,816.47			1,184,908,816.47		
重庆市金科科鹏商业管理 有限公司 (Chongqing Jinke Kepeng Commercial Management Co., Ltd.*)	5,000,000.00			5,000,000.00		
重庆市金科坤合投资有限 公司 (Chongqing Jinke Kunhe Investment Co., Ltd.*)	48,000,000.00			48,000,000.00		
Chongqing Jinke Industrial Group Hongjing Real Estate Development Co., Ltd.	49,985,097.87			49,985,097.87		
重庆市金科文化旅游投资 有限责任公司 (Chongqing	86,400,000.00		72,000,000.00	14,400,000.00		

* The English names are for identification purpose only.

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Jinke Cultural Tourism Investment Co., Ltd.*)						
Chongqing Zhongxun Property Development Co., Ltd.	172,200,000.00		172,200,000.00			
Subtotal	21,726,983,493.48	5,391,450,061.94	643,035,061.94	26,475,398,493.48		

(3) Investments in associates and joint ventures

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures					
Fujian Hilton	65,193,657.22			-3,086,531.17	
Hunan Jinke	735,332,749.36			-15,334,090.88	
Jinke Junzhi	10,710,989.16			46,231,257.36	
Subtotal	811,237,395.74			27,810,635.31	
Associates					
Linquan Jiarun	-608,704.31			-3,619,166.33	
Nanning Sunac	460,430,496.59		480,200,000.00	20,825,845.66	
Yinhai Lease	86,744,661.70			1,148,505.61	
Subtotal	546,566,453.98		480,200,000.00	18,355,184.94	
Total	1,357,803,849.72		480,200,000.00	46,165,820.25	

(Continued)

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Joint ventures						
Fujian Hilton					62,107,126.05	
Hunan Jinke					719,998,658.48	
Jinke Junzhi					56,942,246.52	
Subtotal					839,048,031.05	
Associates						
Linquan Jiarun					-4,227,870.64	
Nanning Sunac					1,056,342.25	
Yinhai Lease		4,963,259.58			82,929,907.73	
Subtotal		4,963,259.58			79,758,379.34	

* The English name is for identification purpose only.

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Total		4,963,259.58			918,806,410.39	

(II) Notes to items of the parent company income statement

1. Operating revenue/Operating cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	715,260.00	1,240,160.14	32,028,826.43	31,943,028.84
Other operations [Note]	865,737,603.97	260,312,227.25	1,108,532,884.17	322,656,580.53
Total	866,452,863.97	261,552,387.39	1,140,561,710.60	354,599,609.37

Note: Revenue from other operations amounting to 865,737,603.97 yuan is mainly revenue from consulting services rendered by the Company to its subsidiaries.

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	4,662,342,488.66	5,515,396,370.39
Investment income from long-term equity investments under equity method	46,165,820.25	-135,618,619.22
Gains on disposal of long-term equity investments	47,608,937.39	
Investment income from financial instruments	13,122,214.72	1,278,022.36
Total	4,769,239,461.02	5,381,055,773.53

XVI. Other supplementary information

(I) Non-recurring profit or loss

1. Schedule of non-recurring profit or loss

Items	Amount	Remarks
Gains on disposal of non-current assets, including write-off of provision for impairment	91,304,329.73	
Tax refund, credit or exemption approved beyond the power of authorities, without formal documents, or with occasionality		
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity/quota based on certain standards)	403,227,474.51	
Fund possession charge from non-financial entities and included in profit or loss		
Gains on acquisition of subsidiaries, joint ventures and		

Items	Amount	Remarks
associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		
Gains on non-cash assets exchange		
Gains on assets consigned to the third party for investment or management	3,472,364.40	
Assets impairment loss incurred due to force majeure such as natural disasters		
Gains on debt restructuring		
Entity restructuring expenses, such as staffing and integrating expenses		
Gains on transactions with unfair value		
Net profit on subsidiaries acquired through business combination under common control from the beginning of the period to the combination date		
Contingent gains on non-operating activities		
Gains on changes in fair value of financial assets and liabilities at fair value through profit or loss and investment income from disposal of financial assets and liabilities at fair value through profit or loss, and available-for-sale financial assets, excluding those arising from hedging business related to operating activities		
The reversed provision for impairment of receivables based on impairment testing on an individual basis		
Gains on designated loans		
Gains on changes in fair value of investment properties with subsequent measurement at the fair value mode	464,300,008.73	
Gains on reconciliation of current period profit or loss following legal and regulative requirements on taxation, accounting, etc.		
Management charges for consigned operations		
Other non-operating revenue or expenditures	-51,970,397.62	
Other profit or loss satisfying the definition of non-recurring profit or loss	188,478,315.20	
Subtotal	1,098,812,094.95	
Less: Enterprise income tax affected	201,449,705.09	
Non-controlling interest affected (after tax)	53,213,395.70	
Net non-recurring profit or loss attributable to shareholders of the parent company	844,148,994.16	

(II) RONA and EPS

1. Details

Profit of the reporting period	Weighted average RONA (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	23.26	1.30	1.30
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	20.42	1.14	1.14

2. Calculation process of weighted average RONA

Items	Symbols	Current period cumulative	
Net profit attributable to shareholders of ordinary shares =	A	6,916,902,256.61	
Non-recurring profit or loss	B	844,148,994.16	
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	6,072,753,262.45	
Opening balance of net assets attributable to shareholders of ordinary shares	D	27,339,614,298.38	
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E		
Number of months counting from the next month when the net assets were increased to the end of the reporting period	F		
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	2,399,279,992.20	
Number of months counting from the next month when the net assets were decreased to the end of the reporting period	H	7.00	
Others	Increase in capital reserve	I1	2,752,342,329.58
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period [Note]	J1	1.0986
	Change in treasury shares due to unlocking of restricted shares and distribution of dividends	I2	96,638,925.00
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period [Note]	J2	5.4025
	Changes in other comprehensive income	I3	74,068,536.13
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period [Note]	J3	6.1650
Number of months in the reporting period	K	12.00	
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K \pm I \times J/K$	29,732,022,731.30	
Weighted average RONA	$M = A/L$	23.26%	
Weighted average RONA after deducting non-recurring profit or loss	$N = C/L$	20.42%	

Note: Due to the changes in capital reserve, other comprehensive income, and treasury shares for several months during the reporting period, the number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period is the ratio of the weighted net assets increased or decreased due to changes in capital reserve, other comprehensive income and treasury shares to the total net assets increased or decreased due to changes in capital reserve, other comprehensive income and treasury shares for the period.

2. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares [Note 1]	A	6,916,902,256.61
Non-recurring profit or loss	B1	844,148,994.16
Dividend of restricted shares [Note 2]	B2	945,000.00
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	6,071,808,262.45
Opening balance of total shares [Note 3]	D	5,288,510,816.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F	
Number of months counting from the next month when the share was increased to the end of the reporting period	G	
Number of shares increased due to unlocking of restricted shares	F2	40,815,000.00
Number of months counting from the next month when the share was increased to the end of the reporting period	G2	5.00
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the share was decreased to the end of the reporting period	I	
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12.00
Weighted average of outstanding ordinary shares	$L=D+E+F \times G/K-H \times I/K-J$	5,305,517,066.00
Basic EPS	$M=A/L$	1.30
Basic EPS after deducting non-recurring profit or loss	$N=C/L$	1.14

(2) Calculation process of diluted EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares [Note 1]	A	6,916,902,256.61
Net profit affected by dilutive potential ordinary shares	B	
Diluted net profit attributable to shareholders of ordinary shares	C=A-B	6,916,902,256.61
Non-recurring profit or loss	D	844,148,994.16
Diluted net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	E=C-D	6,072,753,262.45
Weighted average of outstanding ordinary shares	F	5,305,517,066.00

Items	Symbols	Current period cumulative
Weighted average of ordinary shares increased due to warrant, share options, and convertible bonds, etc. [Note 4]	G	1,424,556.23
Weighted average of diluted outstanding ordinary shares	H=F+G	5,306,941,622.23
Diluted EPS	M=C/H	1.30
Diluted EPS after deducting non-recurring profit or loss	N=E/H	1.14

Note 1: The net profit and opening net assets attributable to shareholders of ordinary shares is the amount of net profit attributable to owners of the parent company in the income statement and owner's equity of the parent company in the balance sheet after the consideration of effects from other equity instruments.

Note 2: In accordance with the Interpretation No. 7 to the CASBEs (Cai Kuai [2015] No. 19) issued by the MOF on November 4, 2015, the numerator should be deducted from the current cash dividend distributed to holders of restricted shares that expected to be unlocked in the future and the denominator should not contain the number of shares of restricted shares.

Note 3: The number of restricted shares and the number of shares repurchased but not cancelled are excluded.

Note 4: In accordance with the Interpretation No. 7 to the CASBEs (Cai Kuai [2015] No. 19) issued by the MOF on November 4, 2015, the calculation of diluted EPS in the vesting period of restricted shares shall assume that the restricted shares not yet unlocked as of the balance sheet date have been unlocked at the beginning of the current period (or later than the grant date), and consider the dilution of restricted shares in accordance with relevant provisions on share options in "CASBE 34 – Earnings Per Share", meanwhile the current cash dividend distributed to holders of restricted shares that expected to be unlocked in the future or net profits attributable to these restricted shares should be added back to the numerator, which have been deducted in the calculation of the numerator of basic EPS.

Jinke Property Group Co., Ltd.
March 31, 2021

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Auditor's Report

PCCPAAR [2020] No. 8-46

To the Shareholders of Jinke Property Group Co., Ltd.:

I. Audit Opinion

We have audited the accompanying financial statements of Jinke Property Group Co., Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2019, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

(I) Recognition of revenue from real estate development projects

1. Key audit matters

Please refer to section III (XXVI) and V (II) 1 of the notes to the financial statements for details. In 2019, revenue from real estate development projects accounted for 93.12% of the Company's total operating revenue. As revenue from many real estate development projects is carried forward and the small errors in the sales revenue recognition of individual real estate development project may have a significant impact on the Company's profit in the aggregate, we have identified recognition of revenue from real estate development projects as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for recognition of revenue from real estate development projects are as follows:

(1) We obtained understandings of key internal controls related to revenue recognition of real estate development projects, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;

(2) We checked the terms of the Company's real estate sales contracts to assess whether its revenue recognition policy related to real estate development projects conforms to relevant accounting standards;

(3) For revenue from real estate development projects recognized in the current period, we selected samples and checked sales contracts and supporting documents that indicated housing properties had reached the conditions of delivery (such as registration certificate of completion record and acceptance, announcement of house acceptance, notice of house acceptance, etc.), to assess whether the real estate sales revenue conforms to the Company's revenue recognition policy;

(4) For real estate sales revenue from real estate development projects recognized in the current period, we checked sales revenue ledger and areas carried forward by

sampling method, and performed gross profit analysis and comparison analysis on average selling price by sampling method, so as to assess the accuracy of carry-forward of real estate sales revenue; and

(5) For revenue from real estate development projects recognized before and after the balance sheet date, we selected samples and checked supporting documents that indicated housing properties had reached the conditions of delivery (such as registration certificate of completion record and acceptance, announcement of house acceptance, notice of house acceptance, etc.), to assess whether the real estate sales revenue is recognized in appropriate period.

(II) Evaluation of net realizable value of inventories for real estate development projects

1. Key audit matters

Please refer to section III (XI) and V (I) 7 of the notes to the financial statements for details. As of December 31, 2019, the carrying amount of inventories in the consolidated financial statements amounted to 214,241,423,632.90 yuan, accounting for 66.62% of the Company's total assets. The total book balance of developed goods, development cost and goods to be developed (collectively referred to as the "inventories for real estate development projects") in the inventories totaled 213,776,171,268.77 yuan, with provision for inventory write-down of 1,028,322,100.95 yuan.

The assessment of net realizable value of inventories for real estate development projects requires estimation of the construction cost to be incurred to reach completion condition of each product to be developed and developed product in progress, as well as estimation of future net selling price, future selling expenses and related taxes of each real estate development project, which involves significant judgments and estimates made by the Company's management (the "Management"). In consideration of the importance of the inventories to the Company's assets and inventories' inherent risks in the construction cost to be incurred to reach completion condition and their future net selling prices, we have identified the evaluation of net realizable value of inventories for real estate development projects as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for net realizable value of inventories for real estate development projects are as follows:

- (1) We assessed the design of key internal controls related to cost budget, dynamic cost management, and estimation of net realizable value of real estate development projects, and tested the effectiveness of their operation;
- (2) We selected samples and conducted field observation on real estate development projects, and inquired relevant development progress and dynamic cost budget updated based on latest estimation;
- (3) We evaluated valuation methods, key estimates and assumptions adopted by the Management, such as comparing estimated selling price with available market data and project sales budget plans;
- (4) We compared the estimated completion cost of each inventory item with the latest budget approved by the Management, and compared the latest budget cost as of December 31, 2019 with the budget cost as of December 31, 2018, so as to assess the accuracy of the Management's forecast; and
- (5) We recalculated measurement and calculation process of net realizable value made by the Management.

IV. Other Information

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Certified Public Accountant's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chinese Certified Public Accountant
(Engagement Partner)



Chinese Certified Public Accountant



Date of Report: March 22, 2020

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Jinke Property Group Co., Ltd.
Consolidated balance sheet as at December 31, 2019
(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances	1	35,986,127,615.10	29,851,757,198.89
Settlement funds			
Loans to other banks			
Held-for-trading financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	2		5,600,000.00
Accounts receivable	3	2,279,708,174.36	1,583,607,499.08
Receivables financing	4	6,080,000.00	
Advances paid	5	9,186,829,635.80	3,392,174,828.32
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	6	22,498,003,050.16	13,022,849,739.80
Financial assets under reverse repo			
Inventories	7	214,241,423,632.90	160,834,886,549.31
Contract assets			
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets	8	7,030,605,788.36	4,650,397,837.30
Total current assets		291,228,777,896.68	213,341,273,652.70
Non-current assets:			
Loans and advances paid			
Debt investments	9	216,497,850.00	
Available-for-sale financial assets	10		473,468,928.76
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	11	13,621,726,542.67	7,367,746,288.64
Other equity instrument investments	12	115,456,732.98	
Other non-current financial assets			
Investment property	13	8,324,103,937.62	3,614,715,700.00
Fixed assets	14	4,378,064,963.38	2,373,506,595.12
Construction in progress	15	247,179.49	1,452,752,705.63
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets	16	75,763,656.09	64,168,647.07
Development expenditures			
Goodwill	17	487,953,966.72	487,953,966.72
Long-term prepayments	18	92,532,518.90	64,436,283.73
Deferred tax assets	19	1,621,772,293.59	1,342,642,625.25
Other non-current assets	20	1,442,119,127.29	116,000,000.00
Total non-current assets		30,376,238,768.73	17,357,391,740.92
Total assets		321,605,016,665.41	230,698,665,393.62

[Name]
[Legal representative]
(Signature and stamp)

[Name]
[Officer in charge of accounting]
(Signature and stamp)

[Name]
[Head of accounting department]
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Jinke Property Group Co., Ltd.
 Consolidated balance sheet as at December 31, 2019 (continued)
 (Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings	21	3,060,253,977.27	3,196,200,000.00
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	22	7,502,327,682.06	2,659,975,468.64
Accounts payable	23	23,548,500,607.12	13,681,241,057.55
Advances received	24	114,693,955,789.05	76,275,695,315.33
Contract liabilities			
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Employee benefits payable	25	677,035,892.45	705,325,201.14
Taxes and rates payable	26	4,342,321,054.87	3,251,597,011.97
Other payables	27	17,431,519,402.53	13,412,156,705.86
Handling fee and commission payable			
Reinsurance accounts payable			
Liabilities classified as held for sale			
Non-current liabilities due within one year	28	29,709,478,742.04	24,443,315,247.71
Other current liabilities			
Total current liabilities		200,965,393,147.39	137,625,506,008.20
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	29	52,381,951,348.33	47,370,128,686.23
Bonds payable	30	13,534,958,049.21	6,400,460,891.28
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	31	1,192,342,194.58	746,194,009.62
Long-term employee benefits payable			
Provisions			
Deferred income	32	468,936,913.44	317,819,517.84
Deferred tax liabilities	19	910,273,409.66	467,179,400.53
Other non-current liabilities	33		4,774,000.00
Total non-current liabilities		68,488,461,915.22	55,306,556,505.50
Total liabilities		269,453,855,062.61	192,932,062,513.70
Equity:			
Share capital	34	5,339,715,816.00	5,339,715,816.00
Other equity instruments	35	800,000,000.00	1,700,000,000.00
Including: Preferred shares			
Perpetual bonds		800,000,000.00	1,700,000,000.00
Capital reserve	36	4,507,152,596.74	4,099,926,815.08
Less: Treasury shares	37	121,159,050.00	137,538,150.00
Other comprehensive income	38	2,392,387,787.05	1,410,705,704.70
Special reserve			
Surplus reserve	39	1,463,900,787.58	936,688,613.37
General risk reserve			
Undistributed profit	40	12,985,084,206.91	9,831,266,617.39
Total equity attributable to the parent company		27,367,082,144.28	23,180,765,416.54
Non-controlling interest		24,784,079,458.52	14,585,837,463.38
Total equity		52,151,161,602.80	37,766,602,879.92
Total liabilities & equity		321,605,016,665.41	230,698,665,393.62

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 [Head of accounting department]
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Jinke Property Group Co., Ltd.
Parent company balance sheet as at December 31, 2019
(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances		2,516,390,706.71	2,460,973,169.38
Held-for-trading financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	1	10,009,634.43	25,603,936.38
Receivables financing			
Advances paid		12,329,019.06	525,372.49
Other receivables	2	99,741,804,971.87	86,538,225,752.37
Inventories		56,919,592.07	100,127,854.46
Contract assets			
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets		32,928,183.45	49,631,745.05
Total current assets		102,370,382,107.59	89,175,087,830.13
Non-current assets:			
Debt investments		60,852,800.00	
Available-for-sale financial assets			5,000,000.00
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	3	23,073,819,681.58	22,254,541,395.43
Other equity instrument investments			
Other non-current financial assets			
Investment property		26,257,600.00	26,562,000.00
Fixed assets		27,919,358.72	13,517,355.01
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets		5,228,855.62	5,002,468.46
Development expenditures			
Goodwill			
Long-term prepayments		15,000,962.23	12,942,082.46
Deferred tax assets		183,982,440.46	105,757,859.11
Other non-current assets		2,967,850,000.00	2,330,000,000.00
Total non-current assets		26,360,911,698.61	24,753,323,160.47
Total assets		128,731,293,806.20	113,928,410,990.60

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Jinke Property Group Co., Ltd.
Parent company balance sheet as at December 31, 2019 (continued)
(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings		1,897,717,801.42	
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		13,617,766.19	16,823,521.04
Advances received		488,417.15	6,993,924.78
Contract liabilities			
Employee benefits payable		121,848,357.90	111,615,622.70
Taxes and rates payable		80,818,665.36	128,531,629.86
Other payables		84,754,877,736.40	78,970,673,646.42
Liabilities classified as held for sale			
Non-current liabilities due within one year		1,250,941,827.04	4,358,583,913.10
Other current liabilities			
Total current liabilities		88,120,310,571.46	83,593,222,257.90
Non-current liabilities:			
Long-term borrowings		2,190,000,000.00	4,870,000,000.00
Bonds payable		17,012,378,175.28	6,400,460,891.28
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		5,234,340.00	5,234,340.00
Long-term employee benefits payable			
Provisions			
Deferred income		78,067.54	131,360.53
Deferred tax liabilities		5,317,135.21	10,301,283.49
Other non-current liabilities			4,774,000.00
Total non-current liabilities		19,213,007,718.03	11,290,901,875.30
Total liabilities		107,333,318,289.49	94,884,124,133.20
Equity:			
Share capital		5,339,715,816.00	5,339,715,816.00
Other equity instruments		800,000,000.00	1,700,000,000.00
Including: Preferred shares			
Perpetual bonds		800,000,000.00	1,700,000,000.00
Capital reserve		6,361,067,555.31	6,340,243,108.73
Less: Treasury shares		121,159,050.00	137,538,150.00
Other comprehensive income		21,261,250.12	21,261,250.12
Special reserve			
Surplus reserve		1,593,469,582.44	1,066,257,408.23
Undistributed profit		7,403,620,362.84	4,714,347,424.32
Total equity		21,397,975,516.71	19,044,286,857.40
Total liabilities & equity		128,731,293,806.20	113,928,410,990.60

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Jinke Property Group Co., Ltd.
 Consolidated income statement for the year ended December 31, 2019
 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		67,773,374,520.17	41,233,676,424.77
Including: Operating revenue	1	67,773,374,520.17	41,233,676,424.77
Interest income			
Premium earned			
Revenue from handling charges and commission			
II. Total operating cost		58,510,620,245.55	35,814,116,624.63
Including: Operating cost	1	48,230,059,674.30	29,452,569,136.19
Interest expenses			
Handling charges and commission expenditures			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	2	2,706,826,815.52	1,407,147,900.95
Selling expenses	3	4,214,509,866.18	2,561,812,461.50
Administrative expenses	4	2,689,453,746.20	2,339,524,752.65
R&D expenses	5	41,052,504.01	3,404,813.43
Financial expenses	6	628,717,639.34	49,657,559.91
Including: Interest expenses		965,772,811.27	543,249,297.49
Interest income		183,621,498.41	537,496,047.23
Add: Other income	7	153,712,526.14	73,489,442.79
Investment income (or less: losses)	8	185,695,959.71	-186,233,839.85
Including: Investment income from associates and joint ventures		184,599,961.90	-27,494,730.85
Gains from derecognition of financial assets at amortized cost			
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	9	95,873,271.19	66,430,327.11
Credit impairment loss	10	-96,449,928.06	
Assets impairment loss	11	-981,480,793.67	-35,135,480.22
Gains on asset disposal (or less: losses)	12	1,510,698.56	460,339.95
III. Operating profit (or less: losses)		8,621,616,008.49	5,338,570,589.92
Add: Non-operating revenue	13	96,299,488.55	86,582,969.74
Less: Non-operating expenditures	14	382,856,989.45	215,045,367.11
IV. Profit before tax (or less: total loss)		8,335,058,507.59	5,210,108,192.55
Less: Income tax	15	1,978,060,638.23	1,189,604,200.20
V. Net profit (or less: net loss)		6,356,997,869.36	4,020,503,992.35
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		6,356,997,869.36	4,020,503,992.35
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		5,675,826,256.49	3,885,918,469.56
2. Net profit attributable to non-controlling shareholders (or less: net loss)		681,171,612.87	134,585,522.79
VI. Other comprehensive income after tax		1,060,568,927.37	850,468,554.25
Items attributable to the owners of the parent company		981,682,082.35	793,889,886.81
(I) Not to be reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		981,682,082.35	793,889,886.81
1. Items under equity method that may be reclassified to profit or loss		7,813,153.67	
2. Changes in fair value of other debt investments			
3. Profit or loss from changes in fair value of available-for-sale financial assets			
4. Profit or loss from reclassification of financial assets into other comprehensive income			
5. Profit or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
6. Provision for credit impairment of other debt investments			
7. Cash flow hedging reserve (profit or loss on cash flow hedging)			
8. Translation reserve			
9. Others		973,868,928.68	793,889,886.81
Items attributable to non-controlling shareholders		78,886,845.02	56,578,667.44
VII. Total comprehensive income		7,417,566,796.73	4,870,972,546.60
Items attributable to the owners of the parent company		6,657,508,338.84	4,679,808,356.37
Items attributable to non-controlling shareholders		760,058,457.89	191,164,190.23
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		1.05	0.72
(II) Diluted EPS (yuan per share)		1.05	0.72

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[Name]
 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.

Parent company income statement for the year ended December 31, 2019

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	1,140,561,710.60	1,143,024,290.16
Less: Operating cost	1	354,599,609.37	407,778,165.38
Taxes and surcharges		6,963,190.83	18,120,099.92
Selling expenses		3,080,169.61	7,205,836.97
Administrative expenses		596,326,372.54	492,706,432.45
R&D expenses			
Financial expenses		373,584,399.54	354,780,402.59
Including: Interest expenses		1,647,778,208.60	1,708,577,278.40
Interest income		38,257,409.10	1,424,505,831.91
Add: Other income		3,398,634.62	
Investment income (or less: losses)	2	5,381,055,773.53	3,472,956,429.90
Including: Investment income from associates and joint ventures		-135,618,619.22	-1,080,422.04
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		-304,400.00	299,200.00
Credit impairment loss		-3,722,730.80	
Assets impairment loss			3,732,619.41
Gains on asset disposal (or less: losses)		47,730.00	
II. Operating profit (or less: losses)		5,186,482,976.06	3,339,421,602.16
Add: Non-operating revenue		25,396,030.63	24,113,455.12
Less: Non-operating expenditures		1,014,592.07	120,292.88
III. Profit before tax (or less: total loss)		5,210,864,414.62	3,363,414,764.40
Less: Income tax		-61,257,327.49	-206,072,397.29
IV. Net profit (or less: net loss)		5,272,121,742.11	3,569,487,161.69
(I) Net profit from continuing operations (or less: net loss)		5,272,121,742.11	3,569,487,161.69
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax			
(I) Not to be reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from changes in fair value of available-for-sale financial assets			
4. Profit or loss from reclassification of financial assets into other comprehensive income			
5. Profit or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
6. Provision for credit impairment of other debt investments			
7. Cash flow hedging reserve (profit or loss on cash flow hedging)			
8. Translation reserve			
9. Others			
VI. Total comprehensive income		5,272,121,742.11	3,569,487,161.69
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

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(Signature and stamp)

Jinke Property Group Co., Ltd.
Consolidated cash flow statement for the year ended December 31, 2019
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		112,826,066,184.16	85,102,490,661.49
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling charges and commission			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		15,005,848.61	4,530,104.19
Other cash receipts related to operating activities	1	42,989,067,401.25	35,802,687,165.82
Subtotal of cash inflows from operating activities		155,830,139,434.02	120,909,707,931.50
Cash payments for goods purchased and services received		88,949,376,066.97	67,062,646,295.74
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling charges and commission			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		5,624,744,667.80	4,009,321,277.06
Cash payments for taxes and rates		7,983,110,945.84	7,074,621,815.51
Other cash payments related to operating activities	2	51,034,172,521.43	41,434,009,091.99
Subtotal of cash outflows from operating activities		153,591,404,202.04	119,580,598,480.30
Net cash flows from operating activities		2,238,735,231.98	1,329,109,451.20
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		317,118,301.92	325,033,294.77
Cash receipts from investment income		1,095,997.81	53,718,811.41
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		766,284.53	1,121,373.81
Net cash receipts from the disposal of subsidiaries & other business units			1,272,201,219.52
Other cash receipts related to investing activities	3	10,411.65	160,093,259.21
Subtotal of cash inflows from investing activities		318,990,995.91	1,812,167,958.72
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		931,748,303.56	277,154,868.38
Cash payments for investments		5,109,130,532.19	4,025,695,490.25
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units		921,707,198.22	2,035,115,943.76
Other cash payments related to investing activities	4	5,345,242,533.37	3,475,355,142.33
Subtotal of cash outflows from investing activities		12,307,828,567.34	9,813,321,444.72
Net cash flows from investing activities		-11,988,837,571.43	-8,001,153,486.00
III. Cash flows from financing activities:			
Cash receipts from absorbing investments		8,955,816,129.09	9,370,102,004.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		8,955,816,129.09	9,370,102,004.00
Cash receipts from borrowings		70,032,860,791.84	57,641,224,460.64
Other cash receipts related to financing activities	5	865,359,030.00	7,000,000.00
Subtotal of cash inflows from financing activities		79,854,035,950.93	67,018,326,464.64
Cash payments for the repayment of borrowings		52,217,903,910.66	41,888,287,535.88
Cash payments for distribution of dividends or profits and for interest expenses		9,872,502,538.00	6,990,656,709.70
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		427,405,462.61	326,850,137.94
Other cash payments related to financing activities	6	2,610,038,305.70	164,638,120.31
Subtotal of cash outflows from financing activities		64,700,444,754.36	49,043,582,365.89
Net cash flows from financing activities		15,153,591,196.57	17,974,744,098.75
IV. Effect of foreign exchange rate changes on cash & cash equivalents		-10,141.34	
V. Net increase in cash and cash equivalents		5,403,478,715.78	11,302,700,063.95
Add: Opening balance of cash and cash equivalents		29,483,584,814.47	18,180,884,750.52
VI. Closing balance of cash and cash equivalents		34,887,063,530.25	29,483,584,814.47

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Jinke Property Group Co., Ltd.

Parent company cash flow statement for the year ended December 31, 2019

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods and rendering of services		1,611,682,960.06	606,027,018.55
Receipts of tax refund			143,645.47
Other cash receipts related to operating activities		244,307,140,276.30	222,530,984,171.75
Subtotal of cash inflows from operating activities		245,918,823,236.36	223,137,154,835.77
Cash payments for goods purchased and services received		190,245,460.53	79,882,147.78
Cash paid to and on behalf of employees		662,381,301.87	545,666,898.93
Cash payments for taxes and rates		96,432,248.24	125,135,269.00
Other cash payments related to operating activities		249,424,306,963.19	206,682,593,168.48
Subtotal of cash outflows from operating activities		250,373,365,973.83	207,433,277,484.19
Net cash flows from operating activities		-4,454,542,737.47	15,703,877,351.58
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		91,800,000.00	230,000,000.00
Cash receipts from investment income		5,317,603,827.61	2,196,498,930.13
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		82,000.00	8,880.00
Net cash receipts from the disposal of subsidiaries & other business units			59,513,807.37
Other cash receipts related to investing activities			2,000,000.00
Subtotal of cash inflows from investing activities		5,409,485,827.61	2,488,021,617.50
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		2,132,902.51	12,865,826.25
Cash payments for investments		1,705,477,800.00	5,113,150,000.00
Net cash payments for the acquisition of subsidiaries & other business units			13,125,000.00
Other cash payments related to investing activities		1,137,850,000.00	
Subtotal of cash outflows from investing activities		2,845,460,702.51	5,139,140,826.25
Net cash flows from investing activities		2,564,025,125.10	-2,651,119,208.75
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Cash receipts from borrowings		13,838,778,450.00	12,111,394,444.44
Other cash receipts related to financing activities		800,000,000.00	
Subtotal of cash inflows from financing activities		14,638,778,450.00	12,111,394,444.44
Cash payments for the repayment of borrowings		7,461,758,046.74	22,311,514,318.02
Cash payments for distribution of dividends or profits and for interest expenses		3,171,343,652.92	3,069,131,276.71
Other cash payments related to financing activities		2,103,774,982.92	63,491,453.63
Subtotal of cash outflows from financing activities		12,736,876,682.58	25,444,137,048.36
Net cash flows from financing activities		1,901,901,767.42	-13,332,742,603.92
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents			
		11,384,155.05	-279,984,461.09
Add: Opening balance of cash and cash equivalents		2,164,708,737.76	2,444,693,198.85
VI. Closing balance of cash and cash equivalents			
		2,176,092,892.81	2,164,708,737.76

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Jinke Property Group Co., Ltd.

Consolidated statement of changes in equity for the year ended December 31, 2019
(Expressed in Renminbi Yuan)

Items	Current period cumulative										Total equity	
	Share capital		Other equity instruments			Equity attributable to parent company			General risk reserve	Undistributed profit		Non-controlling interest
	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve				
I. Balance at the end of prior year	5,339,715,816.00	1,700,000,000.00		4,099,926,815.08	137,338,150.00	1,410,705,704.70		936,688,613.37	9,831,266,617.39	14,585,837,463.38	37,766,602,879.92	
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Business combination under common control												
Others												
II. Balance at the beginning of current year	5,339,715,816.00	1,700,000,000.00		4,099,926,815.08	137,338,150.00	1,410,705,704.70		936,688,613.37	9,831,266,617.39	14,585,837,463.38	37,766,602,879.92	
III. Current period increase (or: less: decrease)				407,225,781.66	-16,379,100.00	981,682,082.35		527,212,174.21	3,153,817,589.52	10,198,241,995.14	14,384,558,722.88	
(I) Total comprehensive income				407,225,781.66	-	981,682,082.35			5,675,826,256.49	760,038,457.89	7,417,566,796.73	
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners				407,225,781.66						9,889,017,487.96	9,396,243,269.62	
2. Capital contributed by holders of other equity instruments										9,889,017,487.96	9,889,017,487.96	
3. Amount of share-based payment included in equity											-900,000,000.00	
4. Others				426,856.94							426,856.94	
(III) Profit distribution				406,798,924.72	-16,379,100.00				-2,522,008,666.97	-450,833,950.71	406,798,924.72	
1. Appropriation of surplus reserve								527,212,174.21				
2. Appropriation of general risk reserve								527,212,174.21				
3. Appropriation of profit to owners					-16,379,100.00							
4. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	5,339,715,816.00	800,000,000.00		4,507,152,596.74	121,159,050.00	2,392,387,787.05		1,463,900,787.58	12,985,084,206.91	24,784,079,458.52	52,151,161,602.80	



[Name]
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[Officer in charge of accounting]
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Jinke Property Group Co., Ltd.
Consolidated statement of changes in equity for the year ended December 31, 2019 (continued)
(Expressed in Renminbi Yuan)

Items	Preceding period comparative													
	Equity attributable to parent company										Non-controlling interest	Total equity		
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury shares	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve			General risk reserve	Undistributed profit
I. Balance at the end of prior year	5,339,715,816.00		1,700,000,000.00		4,070,391,703.04	276,360,200.00		616,815,817.89		579,739,897.20		7,738,711,235.35	2,597,288,630.36	22,366,302,899.84
Add: Cumulative changes of accounting policies														
Error correction of prior period														
Business combination under common control														
Others														
II. Balance at the beginning of current year	5,339,715,816.00		1,700,000,000.00		4,070,391,703.04	276,360,200.00		616,815,817.89		579,739,897.20		7,738,711,235.35	2,597,288,630.36	22,366,302,899.84
III. Current period increase (or less: decrease)					29,535,112.04	-138,822,050.00		793,889,886.81		356,948,716.17		2,092,555,382.04	11,988,548,833.02	15,400,299,980.08
(I) Total comprehensive income					29,535,112.04	-116,117,050.00		793,889,886.81				3,885,918,469.56	191,164,190.23	4,870,972,546.60
(II) Capital contributed or withdrawn by owners														
1. Ordinary shares contributed by owners														
2. Capital contributed by holders of other equity instruments														
3. Amount of share-based payment included in equity														
4. Others					4,973,968.46									4,973,968.46
(III) Profit distribution					24,561,143.58	-22,705,000.00						-1,793,363,087.52	-356,462,988.08	24,561,143.58
1. Appropriation of surplus reserve														
2. Appropriation of general risk reserve														
3. Appropriation of profit to owners														
4. Others														
(IV) Internal carry-over within equity														
1. Transfer of capital reserve to capital														
2. Transfer of surplus reserve to capital														
3. Surplus reserve to cover losses														
4. Changes in defined benefit plan carried over to retained earnings														
5. Other comprehensive income carried over to retained earnings														
6. Others														
(V) Special reserve														
1. Appropriation of current period														
2. Application of current period														
(VI) Others														
IV. Balance at the end of current period	5,339,715,816.00		1,700,000,000.00		4,099,926,815.08	137,538,150.00		1,410,705,704.70		936,688,613.37		9,831,266,617.39	14,585,837,463.38	37,766,602,879.92

天健会计师事务所(普通合伙)
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[Name]
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 (Signature and stamp)

[Name]
 [Officer in charge of accounting]
 (Signature and stamp)

[Name]
 [Head of accounting department]
 (Signature and stamp)

Jinke Property Group Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2019

(Expressed in Renminbi Yuan)

Items	Current period cumulative										Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	5,339,715,816.00				6,340,243,108.73	137,538,150.00	21,261,250.12		1,066,257,408.23	4,714,347,424.32	19,044,286,857.40	
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	5,339,715,816.00				6,340,243,108.73	137,538,150.00	21,261,250.12		1,066,257,408.23	4,653,507,287.70	18,983,446,720.78	
III. Current period increase (or less: decrease)					20,824,446.58	-16,379,100.00			527,212,174.21	2,750,113,075.14	2,414,528,795.93	
(I) Total comprehensive income												
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners					20,824,446.58							
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity					426,856.94						426,856.94	
4. Others												
(III) Profit distribution					20,397,589.64	-16,379,100.00			527,212,174.21	-2,522,008,666.97	20,397,589.64	
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners												
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	5,339,715,816.00			800,000,000.00	6,361,067,555.31	121,159,050.00	21,261,250.12		1,593,469,582.44	7,403,620,362.84	21,397,975,516.71	

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(Signature and stamp)

Jinke Property Group Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2019 (continued)
(Expressed in Renminbi Yuan)

Items	Preceding period comparative										
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
I. Balance at the end of prior year	5,339,715,816.00		1,700,000,000.00		6,310,707,996.69	276,360,200.00	21,261,250.12		709,308,692.06	2,938,223,350.15	16,742,856,905.02
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	5,339,715,816.00		1,700,000,000.00		6,310,707,996.69	276,360,200.00	21,261,250.12		709,308,692.06	2,938,223,350.15	16,742,856,905.02
III. Current period increase (or less: decrease)											
(I) Total comprehensive income					29,535,112.04	-138,822,050.00			356,948,716.17	1,776,124,074.17	2,301,429,952.38
(II) Capital contributed or withdrawn by owners					29,535,112.04	-116,117,050.00				3,569,487,161.69	3,569,487,161.69
1. Ordinary shares contributed by owners					536,756.00	-116,117,050.00					145,652,162.04
2. Capital contributed by holders of other equity instruments											116,653,806.00
3. Amount of share-based payment included in equity					4,973,968.46						4,973,968.46
4. Others					24,024,387.58	-22,705,000.00			356,948,716.17	-1,793,363,087.52	24,024,387.58
(III) Profit distribution									356,948,716.17	-356,948,716.17	-1,413,709,371.35
1. Appropriation of surplus reserve											
2. Appropriation of profit to owners											
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation of current period											
2. Application of current period											
(VI) Others											
IV. Balance at the end of current period	5,339,715,816.00		1,700,000,000.00		6,340,243,108.73	137,538,150.00	21,261,250.12		1,066,257,408.23	4,714,347,424.32	19,044,286,857.40

天健會計師事務所 (香港會計師公會)
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Jinke Property Group Co., Ltd.

Notes to Financial Statements

For the year ended December 31, 2019

Monetary unit: RMB Yuan

I. Company profile

Jinke Property Group Co., Ltd. (the “Company”), whose predecessor was 重庆东源产业发展股份有限公司 (Chongqing Dongyuan Industrial Development Co., Ltd.*, formerly known as 重庆东源钢业股份有限公司 (Chongqing Dongyuan Steel Co., Ltd.*), was established through restructuring of the former 重庆钢铁公司第四钢铁厂 (Chongqing Iron and Steel Company No. 4 Steel Plant*) under approval from Chongqing Municipal People’s Government. The Company, headquartered in Jiangbei District, Chongqing, was registered at Chongqing Administration of Industry and Commerce on March 29, 1994, and currently holds a business license with unified social credit code of 91500000202893468X. The Company has registered capital of 5,339,715,816.00 yuan, and total share of 5,339,715,816 shares (each with par value of one yuan), of which, 91,790,892 shares are restricted outstanding shares, and 5,247,924,924 shares are unrestricted outstanding shares.

The Company belongs to the real estate development industry and is mainly engaged in real estate development, property management, electromechanical equipment installation; sales of construction and decoration materials, chemical products, hardware and electrical equipment; rental of self-owned buildings; enterprise management consulting services; import and export of goods and technology. Main products sold or services rendered are real estate sales, wind energy investment and development, property management, hotel management, garden engineering, decoration engineering and material sales.

The financial statements were approved and authorized for issue by the 45th meeting of the 10th session of the Board of Directors dated March 22, 2020.

The Company has brought 576 subsidiaries including 重庆金科房地产开发有限公司 (Chongqing Jinke Real Estate Development Co., Ltd.*, the “Chongqing Jinke”), 成都金科房地产开发有限公司 (Chengdu Jinke Real Estate Development Co., Ltd.*), 江苏金科天宸房地产有限公司 (Jiangsu Jinke Tianchen Real Estate Co., Ltd.*), 北京金科兴源置业有限公司 (Beijing Jinke Xingyuan Property Co., Ltd.*), 金科地产集团武汉有限公司 (Jinke Real Estate Group Wuhan Co., Ltd.*), 山东百俊房地产开发有限公司 (Shandong Baijun Real Estate Development

* The English names are for identification purpose only.



Co., Ltd.*) and 金科物业服务集团有限公司 (Jinke Property Services Group Co., Ltd.*) into the consolidated scope. Please refer to notes to changes in the consolidated scope and interest in other entities for details.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements have been prepared on the basis of going concern.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

Important note: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets, and revenue recognition, etc. based on the Company's actual production and operation features.

(I) Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, results of operations and cash flows of the Company.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company is mainly engaged in the development of real estate products for sale and lease. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party

* *The English names are for identification purpose only.*

at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(VI) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to “CASBE 33 - Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes in relation to its interest in a joint operation:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;
- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sales of the assets by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are

translated at the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at spot exchange rate at the transaction date. The difference arising from foreign currency translation is included in other comprehensive income.

(X) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or contracts in which the financing components with associated period less than one year are not considered, the Company measures at their transaction price.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method.

Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of

Financial Assets”.

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with relevant regulations.

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items are included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of

consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items are included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) 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. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, and financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

(1) Measurement and accounting treatment

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments, or lease receivables at fair value through other comprehensive income, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For accounts receivable that do not contain a significant financing component or financing components in contracts with associated period less than one year that are not considered by the Company, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For lease receivables and accounts receivable that contain a significant financing component, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as

impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

(2) Financial instruments with expected credit risk assessed and expected credit losses measured on a collective basis

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Other receivables – Portfolio grouped with balances due from associates and joint ventures	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with deposits		
Other receivables – Portfolio grouped with operating current accounts with partners		
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope		
Other receivables – Portfolio grouped with other balances		
Debt investments – Portfolio grouped with trust protection funds	Nature of investment	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.

(3) Accounts receivable with expected credit losses measured on a collective basis

1) Specific portfolios and method for measuring expected credit loss

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with subsidy for renewable energy electricity fee surcharges	Credit risk feature of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is 1%.

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Accounts receivable – Portfolio grouped with funds for government group buying houses	Credit risk feature of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is 1.5%.
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope	Credit risk feature of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, which is zero.
Accounts receivable – Portfolio grouped with balances of house sales (Portfolio grouped with ages)	Balances except for subsidy for renewable energy electricity fee surcharges, funds for government group buying houses, and balances due from related parties within the consolidation scope	Based on historical credit loss experience, the debtors' repayment Capacity, the future cash flows, the current condition and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate, using age analysis metod.
Accounts receivable – Portfolio grouped with balances of property management services (Portfolio grouped with ages)		
Accounts receivable – Portfolio grouped with balances of other services (Portfolio grouped with ages)		

2) Accounts receivable – comparison table of ages and lifetime expected credit loss rate of portfolio grouped with ages

① Accounts receivable – Portfolio grouped with balances of house sales

Ages	Expected credit loss rate (%)
Within 1 year	1.50
1-2 years	5.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

② Accounts receivable – Portfolio grouped with balances of property management services

Ages	Expected credit loss rate (%)
Within 1 year	1.00
1-2 years	5.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

③ Accounts receivable – Portfolio grouped with balances of other services

Ages	Expected credit loss rate (%)
Within 1 year	1.70
1-2 years	6.00
2-3 years	20.00
3-5 years	50.00
Over 5 years	100.00

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

(XI) Inventories

1. Classification of inventories

Inventories include land for development and developed goods held for sale or use, developed goods, goods to be developed and revolving property held for sale but temporary on lease, materials and equipment on hand, and low-value consumables, etc., and development costs incurred in the process of development. Goods to be developed refer to land which has been acquired to be developed as completed developed products. If the project is developed on a collective basis, goods to be developed are transferred into development costs; if the project is developed phase by phase, developed phase is transferred into development costs and the remaining phases are kept as goods to be developed.

2. Accounting method for dispatching inventories:

(1) Materials and equipment dispatched from storage are accounted for with weighted average method.

(2) In the course of project development, the cost of land for development is allocated in the development cost of different projects based on the area of project developed.

(3) Developed goods dispatched from storage are accounted for with average of construction areas.

(4) Developed goods and revolving property held for sale but temporary on lease are evenly amortized within estimated useful life of fixed assets under same categories.

(5) In case the public facilities are completed prior to related developed goods, cost of public

facilities is included in development cost of related developed projects proportionate to the construction area when the final audit of public facilities is finished. In case the public facilities are completed later than related developed goods, estimated cost of public facilities is included in development cost of related developed goods, and adjusted to actual cost when the final audit on public facilities is finished.

3. Basis for determining net realizable value

At the balance sheet date, inventories are measured at the lower of cost or net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have contract-agreed price, their net realizable value is determined separately and is compared with their costs to set the provision for inventory write-down to be made or reversed.

4. Inventory system

Perpetual inventory method is adopted.

5. Amortization method of low-value consumables

One-off method is adopted.

(XII) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common

control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

3. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is

accounted for with equity method.

4. Disposal of a subsidiary in stages resulting in the Company's loss of control

(1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

(2) Consolidated financial statements

1) Disposal of a subsidiary in stages not qualified as "bundled transaction" resulting in the Company's loss of control

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

2) Disposal of a subsidiary in stages qualified as "bundled transaction" resulting in the Company's loss of control

In case of "bundled transaction", stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XIII) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation, buildings that have been leased out and buildings being built and developed for future lease.

2. The initial measurement of investment property is based on its cost, and subsequent

measurement is made using fair value model. Basis for using fair value model:

- (1) The real estate market where investment property located is active.
- (2) The Company can obtain market price of similar property and other relevant information from the real estate market, thus making reasonable estimates of the fair value of investment property.

No depreciation or amortization is made on investment property. Carrying amount of investment property is adjusted based on its fair value on the balance sheet date, with difference included into profit or loss.

When investment property is transferred to owner-occupied property indicated by objective evidence of changes in use, carrying amount of owner-occupied property is measured at the transfer-date fair value, and the difference between fair value and original carrying amount is included into profit or loss. When owner-occupied property is transferred to investment property at fair value, investment property is measured at transfer-date fair value. If the transfer-date fair value is less than original carrying amount, the difference is included into profit or loss, otherwise, the difference is included into capital reserve.

(XIV) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	35	5	2.71
Decoration of buildings and structures	Straight-line method	6		16.67
Machinery	Straight-line method	10	5	9.5
Power generation and related equipment	Straight-line method	20	5	4.75
Electronic equipment	Straight-line method	5	5	19
Household appliance	Straight-line method	5	5	19
Transport facilities	Straight-line method	5	5	19
Other equipment	Straight-line method	5	5	19

(XV) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be

measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while it reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVI) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income earned on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements less the general borrowing by the capitalization rate of the general borrowing used.

(XVII) Intangible assets

1. Intangible assets include land use right, software and trademark right, etc. The initial measurement of intangible asset is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Amortization period (years)
Land-use right	30-50
Software	5
Trademark right	3-5

3. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XVIII) Impairment of part of long-term assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

(XIX) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XX) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following

dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XXI) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.
2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

(XXII) Share-based payment

1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

2. Accounting treatment for settlements, modifications and cancellations of share-based payment plans

(1) Equity-settled share-based payment

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair

value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

(2) Cash-settled share-based payment

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

(3) Modifications and cancellations of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

(XXIII) Other financial instrument such as preferred shares and perpetual bonds

Pursuant to CASBEs on financial instruments, “Regulations on Distinguishing Financial Liabilities and Equity Instruments and Related Accounting Treatments” numbered Cai Kuai [2014]

13, and “Regulations on Accounting Treatments of Perpetual Bonds” numbered Cai Kuai [2019] 2 by Ministry of Finance, for financial instruments such as perpetual bonds etc., the Company classifies a financial instrument or its components at initial recognition as a financial asset or liability or equity instrument, based on contract terms and economic essence it reveals instead of its legal form, combining with the definitions of financial asset, liability and equity instrument.

At the balance sheet date, for a financial instrument classified as an equity instrument, its interest expenditure or dividend distribution is treated as profit distribution, and share repurchase and cancelation are treated as changes in equity; for a financial instrument classified as a financial liability, its interest expenditure or dividend distribution is treated as borrowing expense, and gain or loss on repurchase or redemption is included in profit or loss.

(XXIV) Accounting of repair and maintenance fund

According to regulations of place where development project residents, repair and maintenance fund, which is accrued by the Company and included into the development cost of related developed goods, is to be submitted to repair and maintenance fund management department.

(XXV) Accounting of quality guarantee reserve

Quality guarantee reserve is reserved from project payment of construction entity according to requirements in construction contract. Repair and maintenance fund incurred within the quality guarantee period of developed products is to offset quality guarantee reserve. The balance of quality guarantee reserve is refunded to construction entity when the guarantee term is mature.

(XXVI) Revenue

1. Revenue recognition principles

(1) Sale of goods

Revenue from sale of goods is recognized if, and only if, the following conditions are all satisfied: a) significant risks and rewards of ownership of the goods is transferred to the buyer; b) the Company retains neither continuing managerial involvement of ownership nor effective control over the goods sold; c) the amount of revenue can be measured reliably; d) it is probable that the economic benefits of the transaction will flow to the Company; and e) the costs of the transaction incurred and to be incurred can be measured reliably.

(2) Rendering of services

When the outcome of the transaction can be estimated reliably (the amount of revenue can be measured reliably, it is probable that the economic benefits will flow to the Company, the percentage of completion of the transaction can be determined reliably, and the costs of the transaction incurred and to be incurred can be measured reliably), revenue from rendering of services is recognized using the percentage of completion method, and the stage of completion is determined at measurement of completed work. When the outcome of the transaction cannot be estimated reliably at the balance sheet date, revenue is recognized based on the amount of the

costs incurred and the costs incurred are charged off at the same amount when the costs incurred are expected to be recoverable; and no revenue is recognized and the costs incurred are charged off as an expense of the period when the costs incurred are not expected to be recovered.

(3) Revenue arising from use by others of assets

Revenue arising from use by others of assets is recognized if, and only if, it is probable that economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the Company's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

(4) Construction contract

1) When the outcome of construction contract can be reliably estimated at balance sheet date, contract revenue and cost are recognized using the percentage of completion method. When the outcome of construction contract cannot be reliably estimated at balance sheet date, contract revenue is recognized according to the actual recoverable contract cost if the cost can be recovered; if not, contract cost is recognized as contract expense when occurring.

2) The outcome of a fixed price contract can be estimated reliably when all of the following conditions are satisfied: total contract revenues can be measured reliably; it is probable that economic benefits associated with the contract will flow to the Company; the contract costs actually incurred can be clearly identified and reliably measured; both the degree of contract completion and the additional contract costs needed to complete the contract can be measured reliably. The outcome of a cost plus contract can be estimated reliably when all of the following conditions are satisfied: it is probable that economic benefits associated with the contract will flow to the Company; the contract costs actually incurred can be clearly identified and reliably measured.

3) Percentage-of-completion method refers to the percentage of accumulated contract costs in estimated total contract costs.

4) At the balance sheet date, expected excess of total contract costs over total contract revenue is recognized as an expense of the period. A provision for inventory write-down is made based on the excess for construction contract under implementation; and estimated liability is recognized based on the excess for construction contract to be implemented.

2. Revenue recognition method adopted by the Company

(1) Revenue from real estate sales

Revenue from real estate sales is recognized if, and only if, the following conditions are all satisfied: the developed products have been completed and accepted; the sales contract is entered into and the liabilities thereof have been discharged; any significant risks and rewards of ownership of the developed products is transferred to the buyer; the Company retains neither continuing managerial involvement of ownership nor effective control over the developed products sold, i.e., housing delivery procedures have been settled or housing delivery obligations have been fulfilled according to sales contract; the amount of revenue can be measured reliably; it is probable that the economic benefits of the transaction will flow to the Company, i.e., payment proofs have been obtained (normally down payment has been received and the payment arrangement of remaining payments has been confirmed); and the costs of the transaction incurred and to be incurred can be measured reliably.

Revenue from sales of self-used housing is recognized if, and only if, the following conditions are all satisfied: any significant risks and rewards of ownership of the self-used housing is transferred to the buyer; the Company retains neither continuing managerial involvement of ownership nor effective control over the products sold; the amount of revenue can be measured reliably; it is probable that the economic benefits of the transaction will flow to the Company; and the costs of the transaction incurred and to be incurred can be measured reliably.

If the housing and project construction services have been covered by irrevocable construction contract, the revenue of such contract is recognized using the percentage of completion method when it is probable that the economic benefits will flow to the Company, the percentage of completion of the transaction can be determined reliably, and the costs of the transaction incurred and to be incurred can be measured reliably.

(2) Revenue from lease

Revenue from lease is recognized at the lease commencement date and lease income as stipulated in lease contract or agreement when it is probable that the economic benefits will flow to the Company.

(3) Revenue from property management services

Revenue from property management services is recognized when the service has been provided; it is probable that the economic benefits of the transaction will flow to the Company; and the costs of the transaction incurred and to be incurred can be measured reliably.

(4) Revenue from sales of electricity

Revenue from sales of electricity is recognized when electricity has been supplied to the provincial state grid company where the plant is located. The amount of revenue from sales of electricity is determined based on the fair value of received or receivable contract or agreement

price.

(5) Revenue from other business

Revenue from other business is recognized based on related contracts or agreements when it is probable that the economic benefits of the transaction will flow to the Company; and the costs of the transaction incurred and to be incurred can be measured reliably.

(XXVII) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who

provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXVIII) Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

(XXIX) Leases

1. Operating leases

When the Company is the lessee, lease payments are recognized as cost or profit or loss with straight-line method over the lease term. Initial expenses are recognized directly into profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

When the Company is the lessor, lease income is recognized as profit or loss with straight-line method over the lease term. Initial expenses, other than those with material amount and eligible for capitalization which are recognized as profit or loss by installments, are recognized directly as profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

2. Finance leases

When the Company is the lessee, at the commencement of the lease term, lessees recognize finance leases as assets and liabilities in their balance sheets at amounts equal to the lower of fair value of the leased property and the present value of the minimum lease payments, each determined at the inception of the lease, and recognize the minimum lease payments as the entering value of long-term payable, and treat the difference of the two as unrecognized finance expense. Any initial direct costs of the lessee are added to the amount recognized as an asset. The effective interest method is used to recognize finance expense of the period during the lease term.

When the Company is the lessor, at the commencement of the lease, lessor recognizes the aggregate of minimum lease receipts and initial direct costs, each determined at the inception of the lease, as the entering value of finance lease receivables, and recognize the unguaranteed residual value at the same time. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the sum of their present values is recognized as unrealized finance income. The effective interest method is used to recognize finance income of the period during the lease term.

(XXX) Segment reporting

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

- (1) that engages in business activities from which it may earn revenues and incur expenses;
- (2) whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
- (3) for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

(XXXI) Other significant accounting policies and estimates

Accounting treatment related to share repurchase:

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total book value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

(XXXII) Significant changes in accounting policies and estimates

1. Significant changes in accounting policies

Changes in accounting policies arising from changes in CASBEs

(1) The Company prepared the financial statements for the year ended December 31, 2019 in accordance with “Notice of the Ministry of Finance on Revising and Issuing Financial Statement Templates for General Enterprises” (numbered Cai Kuai [2019] 6), “Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Edition)” (numbered Cai Kuai [2019] 16), and CASBEs, and the retrospective application method is applicable to changes in accounting policies. Items of financial statement for the year ended December 31, 2018 significantly affected and their amounts are as follows:

Original financial statement items and amounts		Revised financial statement items and amounts	
Notes receivable and accounts receivable	1,589,207,499.08	Notes receivable	5,600,000.00
		Accounts receivable	1,583,607,499.08
Notes payable and accounts payable	16,341,216,526.19	Notes payable	2,659,975,468.64
		Accounts payable	13,681,241,057.55

(2) The Company has adopted “CASBE 22 – Financial Instruments: Recognition and Measurement”, “CASBE 23 – Transfer of Financial Assets”, “CASBE 24 - Hedging” and “CASBE 37 - Presentation of Financial Instruments” (collectively, the “revised financial instrument standards”) revised by Ministry of Finance of PRC since January 1, 2019. Pursuant to regulations on convergence between original and revised standards, no adjustment shall be made on comparable information, and the difference arising from adoption on the adopting date shall be retrospectively adjusted into retained earnings or other comprehensive income at the beginning of the reporting period.

The revised financial instrument standards change classification and measurement method of financial assets, and determine three major categories of measurement: amortized cost; fair value through other comprehensive income; fair value through profit or loss. The Company makes the above classification based on its own business model and the contractual cash flow characteristics of the financial assets. The Company measures equity investments at fair value through profit or loss, but may make an irrevocable election at initial recognition to measure them at fair value through other comprehensive income (gains or losses on disposal can't be reversed into profit or loss, but dividend income can be included into profit or loss).

The revised financial instrument standards require for an “expected credit loss model” instead of “incurred loss model”, which is applicable to financial assets at amortized cost and financial assets at fair value through other comprehensive income, and lease receivables.

1) Main effects on the financial statements as at January 1, 2019 due to adoption of revised financial instrument standard are as follows:

Items	Balance sheet		
	Dec. 31, 2018	Effect due to revised financial instrument standards	Jan. 1, 2019
Notes receivable	5,600,000.00	-5,600,000.00	
Receivables financing		5,600,000.00	5,600,000.00
Debt investments		316,018,915.78	316,018,915.78
Available-for-sale financial assets	473,468,928.76	-473,468,928.76	
Other equity instrument investments		157,450,012.98	157,450,012.98
Short-term borrowings	3,196,200,000.00	19,551,629.97	3,215,751,629.97
Other payables	13,412,156,705.86	-759,064,033.00	12,653,092,672.86
Non-current liabilities due within one year	24,443,315,247.71	739,512,403.03	25,182,827,650.74

2) On January 1, 2019, the comparison table of categories and measuring result of the Company's financial assets and financial liabilities under revised and original financial instrument standards is as follows:

Items	Original standards		Revised standards	
	Category	Carrying amount	Category	Carrying amount
Cash and bank balances	Loans and receivables	29,851,757,198.89	Financial assets measured at amortized cost	29,851,757,198.89
Notes receivable	Loans and receivables	5,600,000.00	Financial assets measured at fair value through other comprehensive income	5,600,000.00
Accounts receivable	Loans and receivables	1,583,607,499.08	Financial assets measured at amortized cost	1,583,607,499.08
Other receivables	Loans and receivables	13,022,849,739.80	Financial assets measured at amortized cost	13,022,849,739.80
Available-for-sale financial assets	Available-for-sale financial assets	316,018,915.78	Financial assets measured at amortized cost	316,018,915.78
Available-for-sale financial assets	Available-for-sale financial assets	157,450,012.98	Financial assets measured at fair value through other comprehensive income	157,450,012.98
Short-term borrowings	Other financial liabilities	3,196,200,000.00	Financial liabilities measured at amortized cost	3,215,751,629.97
Notes payable	Other financial liabilities	2,659,975,468.64	Financial liabilities measured at amortized cost	2,659,975,468.64
Accounts payable	Other financial liabilities	13,681,241,057.55	Financial liabilities measured at amortized cost	13,681,241,057.55
Other payables	Other financial liabilities	13,412,156,705.86	Financial liabilities measured at amortized cost	12,653,092,672.86
Non-current liabilities due within one year	Other financial liabilities	24,443,315,247.71	Financial liabilities measured at amortized cost	25,182,827,650.74

Items	Original standards		Revised standards	
	Category	Carrying amount	Category	Carrying amount
Long-term borrowings	Other financial liabilities	47,370,128,686.23	Financial liabilities measured at amortized cost	47,370,128,686.23
Bonds payable	Other financial liabilities	6,400,460,891.28	Financial liabilities measured at amortized cost	6,400,460,891.28
Long-term payables	Other financial liabilities	746,194,009.62	Financial liabilities measured at amortized cost	746,194,009.62

3) On January 1, 2019, the reconciliation statement on the carrying amount of the financial assets and financial liabilities under revised financial instrument standards is as follows:

Items	Carrying amount under original standards (Dec. 31, 2018)	Reclassification	Remeasurement	Carrying amount under revised standards (Jan. 1, 2019)
A. Financial assets				
a. Measured at amortized cost				
Cash and bank balances				
Balances under original standards and revised standards	29,851,757,198.89			29,851,757,198.89
Notes receivable				
Balances under original standards	5,600,000.00			
Less: Transferred out to those measured at fair value through other comprehensive income (under revised standards)		-5,600,000.00		
Balances under revised standards				
Accounts receivable				
Balances under original standards and revised standards	1,583,607,499.08			1,583,607,499.08
Other receivables				
Balances under original standards and revised standards	13,022,849,739.80			13,022,849,739.80
Available-for-sale financial assets				
Balances under original standards	316,018,915.78			
Less: Transferred out to those measured at amortized cost (under revised standards)		-316,018,915.78		
Balances under revised standards				

Items	Carrying amount under original standards (Dec. 31, 2018)	Reclassification	Remeasurement	Carrying amount under revised standards (Jan. 1, 2019)
Debt investments				
Balances under original standards				
Add: Transferred in from available-for-sale financial assets (under original standards)		316,018,915.78		
Balances under revised standards				316,018,915.78
Total financial assets at amortized cost	44,779,833,353.55	-5,600,000.00		44,774,233,353.55
b. Measured at fair value through other comprehensive income				
Receivables financing				
Balances under original standards				
Add: Transferred in from notes receivable (under original standards)		5,600,000.00		
Balances under revised standards				5,600,000.00
Available-for-sale financial assets				
Balances under original standards	157,450,012.98			
Less: Transferred out to those measured at fair value through other comprehensive income (under revised standards)		-157,450,012.98		
Balances under revised standards				
Other equity instrument investments				
Balances under original standards				
Add: Transferred in from available-for-sale financial assets (under revised standards)		157,450,012.98		
Balances under revised standards				157,450,012.98
Total financial assets at fair value through other comprehensive income	157,450,012.98	5,600,000.00		163,050,012.98
B. Financial liabilities				
a. Measured at amortized cost				
Short-term borrowings				
Balances under original standards	3,196,200,000.00			
Add: Transferred in from other payables – interest payable (under original standards)		19,551,629.97		

Items	Carrying amount under original standards (Dec. 31, 2018)	Reclassification	Remeasurement	Carrying amount under revised standards (Jan. 1, 2019)
Balances under revised standards				3,215,751,629.97
Notes payable				
Balances under original standards and revised standards	2,659,975,468.64			2,659,975,468.64
Accounts payable				
Balances under original standards and revised standards	13,681,241,057.55			13,681,241,057.55
Other payables				
Balances under original standards	13,412,156,705.86			
Less: Transferred out to short-term borrowings and non-current liabilities due within one year (under revised standards)		-759,064,033.00		
Balances under revised standards				12,653,092,672.86
Non-current liabilities due within one year				
Balances under original standards	24,443,315,247.71			
Add: Transferred in from other payables – interest payable (under original standards)		739,512,403.03		
Balances under revised standards				25,182,827,650.74
Long-term borrowings				
Balances under original standards and revised standards	47,370,128,686.23			47,370,128,686.23
Bonds payable				
Balances under original standards and revised standards	6,400,460,891.28			6,400,460,891.28
Long-term payables				
Balances under original standards and revised standards	746,194,009.62			746,194,009.62
Total financial liabilities at amortized cost	111,909,672,066.89			111,909,672,066.89

4) On January 1, 2019, the reconciliation statement on the provision for impairment of the financial assets under revised financial instrument standards is as follows:

Items	Provision for impairment made under original financial instrument standards/provisions recognized under the contingencies standard (Dec. 31, 2018)	Reclassification	Remeasurement	Provision for impairment under revised standards (Jan. 1, 2019)
Loans and receivables (under original standards)/Financial assets measured at amortized cost (under revised standards)				
Accounts receivable	83,444,877.05			83,444,877.05
Other receivables	271,045,031.25			271,045,031.25

(3) The Company has adopted the revised “CASBE 7 – Non-cash Assets Exchange” since June 10, 2019, and the revised “CASBE 12 – Debt Restructuring” since June 17, 2019, and the prospective application method is applicable to changes in accounting policies

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The taxable revenue from sales of goods or rendering of services	3%, 5%, 6%, 9%, 10%, 13%, 16%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Progressive rates from 30% to 60%
	Prepaid tax basis: advances from commercial housing	1%-5%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%, 12%
Urban maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, 1.5%
Enterprise income tax	Taxable income	25% for the Company and subsidiaries excluding some enjoying the preferential tax policies or under local laws and regulations. Please refer to IV (II) and IV (III) for details.

(II) Tax preferential policies

1. VAT

Pursuant to the Notice of VAT Policy on Comprehensive Utilization of Resources and Other Products (numbered Cai Shui [2008] 156) issued by the Ministry of Finance (MOF) and the State Taxation Administration (STA), 新疆华冉东方新能源有限公司 (Xinjiang Huaran Orient New Energy Co., Ltd.*, the “Xinjiang Huaran”) enjoys the preferential policy of 50% VAT refunding at collecting for its wind energy power generation project.

2. Enterprise income tax

Pursuant to the Catalogue of Encouraged Industries in Western Region (Decree of National Development and Reform Commission No. 15 of Year 2014) and the Catalogue for Guiding Adjustment of Industrial Structure (Version in 2011) (Amendment) published by the National Development and Reform Commission, the Circular of Taxation Policies Concerning Further Implementing the Western Development Strategy (numbered Cai Shui [2011] 58) by MOF and STA, and relevant written replies from tax authorities, 42 subsidiaries including Jinke Property Services Group Co., Ltd. (the “Jinke Services”), 重庆凯尔辛基园林有限公司 (Chongqing Kelsinki Horticulture Co., Ltd.*), the “Chongqing Kelsinki”) and 重庆庆科商贸有限公司 (Chongqing Qingke Trading Co., Ltd.*, the “Qingke Trading”) enjoy a preferential enterprise income tax rate of 15% in 2019.

Pursuant to the documents numbered Guo Ke Fa Huo [2016] 32 and Guo Ke Fa Huo [2016] 195, 金科（上海）建筑设计有限公司 (Jinke (Shanghai) Architectural Design Co., Ltd.*), 重庆金科建筑设计研究院有限公司 (Chongqing Jinke Architectural Design and Research Institute Co., Ltd.*) and 重庆天智慧启科技有限公司 (Chongqing Tianzhihuiqi Technology Co., Ltd.*) enjoy a preferential enterprise income tax rate of 15% from 2019 to 2021.

Pursuant to the document numbered Fa Gai Neng Yuan [2012] 2561, the Yandun No. 6 Wind Farm Project is invested and constructed by Xinjiang Huaran. As Xinjiang Huaran is mainly engaged in the production and supply of electricity (wind power), which can be identified as the “new project of wind power generation” in the Preferential Catalogue of Income Tax for Infrastructure Projects (Version in 2008), enterprise income tax for its project phase I of 50MW is half-reduced from 2017 to 2019, and that for its project phase II of 150MW is exempt from 2015 to 2017 and half-reduced from 2018 to 2020.

Pursuant to the document numbered Xin Fa Gai Neng Yuan [2015] 1301, the Jingxia No. 2 C Area Wind Farm Project of 200 MW is invested and constructed by 哈密华冉东方景峡风力发电有限公司 (Hami Huaran Orient Jingxia Wind Power Co., Ltd.*, the “Hami Huaran”). As the above project is the production and supply of electricity (wind power), which can be identified as the “new project of wind power generation” in the Preferential Catalogue of Income Tax for Infrastructure Projects (Version in 2008), enterprise income tax for such project is exempt from 2018 to 2020 and half-reduced from 2021 to 2023.

(III) Others

1. In accordance with the Enterprise Income Tax Law of the People’s Republic of China, each property management branch of Jinke Services shall file tax returns to the local tax authority of Jinke Services in the form of “unified calculation, consolidated clearing”, and the head office and branches handle the tax payment or refund at the local level. The enterprise income tax rate of

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Jinke Services and its branches in Chongqing, Sichuan, Shaanxi, Guizhou, Yunnan, Guangxi, Enshi, Hubei and Xinjiang is 15%, while tax rate of branches in other regions is 25%.

2. The subsidiary 香港俊德国际贸易有限公司 (Hong Kong Junde International Trading Co., Ltd.*) is established in Hong Kong and its income tax rate is 16.5%.

3. The 金裕控股集团有限公司 (Jinyu Holdings Group Co., Ltd.*) is registered in the British Virgin Islands and pays annual government fee in accordance with local taxes and regulations.

V. Notes to items of consolidated financial statements

Remarks: “Opening balance” in this report refers to balances as at January 1, 2019, while “closing balance” refers to balances as at December 31, 2019; and “current period” refers to the year of 2019, while “preceding period” refers to the year of 2018. This is also applicable to that of the parent company.

(I) Notes to items of the consolidated balance sheet

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
Cash on hand	203,590.41	226,093.82
Cash in bank	34,832,259,939.84	29,203,358,720.65
Other cash and bank balances	1,153,664,084.85	648,172,384.42
Total	35,986,127,615.10	29,851,757,198.89
Including: Deposited overseas	3,965,363.14	919,440.68

(2) Other remarks

Closing balance of other cash and bank balances amounted to 1,153,664,084.85 yuan, including time certificate of deposit maturing within three months of 4,600,000.00 yuan and electronic bank draft deposit of 50,000,000.00 yuan, and others (including security deposits of 1,070,318,477.15 yuan, time certificate of deposit of 10,000,000.00 yuan, and other restricted funds of 18,745,607.70 yuan), which was with use restrictions and was not cash and cash equivalents..

2. Notes receivable

There is no balance at the beginning of the period. Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

3. Accounts receivable

(1) Details

* The English names are for identification purpose only.

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	2,394,739,886.01	100.00	115,031,711.65	4.80	2,279,708,174.36
Total	2,394,739,886.01	100.00	115,031,711.65	4.80	2,279,708,174.36

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	1,667,052,376.13	100.00	83,444,877.05	5.01	1,583,607,499.08
Total	1,667,052,376.13	100.00	83,444,877.05	5.01	1,583,607,499.08

2) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Subsidy for renewable energy electricity fee surcharges	456,542,193.43	4,565,421.93	1.00
Funds for government group buying houses	149,895,037.21	2,248,425.56	1.50
Blanaces of house sales	866,259,834.40	61,133,580.74	7.06
Blanaces of property management services	445,666,340.93	5,464,722.44	1.23
Other operating receivables	476,376,480.04	41,619,560.98	8.74
Subtotal	2,394,739,886.01	115,031,711.65	4.80

3) Accounts receivable with provision made on a collective basis based on the comparison table of age and expected credit loss rate

① Portfolio grouped with balances of house sales

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	623,435,584.56	9,351,533.77	1.50
1-2 years	150,890,587.33	7,544,529.38	5.00
2-3 years	45,927,340.49	9,185,468.11	20.00
3-5 years	21,908,545.09	10,954,272.55	50.00
Over 5 years	24,097,776.93	24,097,776.93	100.00
Subtotal	866,259,834.40	61,133,580.74	7.06

② Portfolio grouped with balances of property management services

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	433,051,523.69	4,330,315.23	1.00
1-2 years	9,736,158.61	487,007.94	5.00
2-3 years	2,673,100.17	534,620.03	20.00
3-5 years	185,558.46	92,779.24	50.00
Over 5 years	20,000.00	20,000.00	100.00
Subtotal	445,666,340.93	5,464,722.44	1.23

③ Portfolio grouped with other operating receivables

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	392,360,505.73	6,670,128.60	1.70
1-2 years	22,782,813.62	1,366,968.83	6.00
2-3 years	28,299,342.51	5,659,868.50	20.00
3-5 years	10,022,446.27	5,011,223.14	50.00
Over 5 years	22,911,371.91	22,911,371.91	100.00
Subtotal	476,376,480.04	41,619,560.98	8.74

(2) Changes in provision for bad debts

Items	Opening balance	Increase			Decrease			Closing balance
		Accrual	Recovery	Others [Note]	Reversal	Write-off	Others [Note]	
Receivables with provision made on a collective basis	83,444,877.05	31,705,438.22		653,142.45		715,626.07	56,120.00	115,031,711.65
Subtotal	83,444,877.05	31,705,438.22		653,142.45		715,626.07	56,120.00	115,031,711.65

Note: Current period increase in “others” is due to the acquisition of subsidiaries, and current period decrease in “others” is mainly due to the disposal of subsidiaries.

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled 715,626.07 yuan.

(4) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Customer 1 [Note 1]	468,991,504.26	19.58	4,777,060.22
Customer 2 [Note 2]	149,895,037.21	6.26	2,248,425.56
Customer 3	52,775,695.49	2.20	897,186.82
Customer 4	38,005,197.37	1.59	646,088.36
Customer 5	28,256,865.74	1.18	480,366.72
Subtotal	737,924,300.07	30.81	9,049,127.68

Note 1: In which, subsidy for renewable energy electricity fee surcharges amounted to 456,542,193.43 yuan, and electricity fees amounted to 12,449,310.83 yuan.

Note 2: It is the final contract payment receivable due from the People's Government of Shibei District, Qingdao after the delivery of resettlement housing pursuant to the Agreement on the Construction of Shanty Town Reconstruction Project entered into between the subsidiary 青岛誉华金科房地产开发有限公司 (Qingdao Yuhua Jinke Real Estate Development Co., Ltd.*) and the People's Government of Shibei District, Qingdao.

4. Receivables financing

(1) Details

1) Details on categories

Items	Closing balance					
	Initial cost	Interest adjustment	Interest accrued	Changes in fair value	Carrying amount	Provision for impairment
Notes receivable	6,080,000.00				6,080,000.00	
Total	6,080,000.00				6,080,000.00	

(Continued)

Items	Opening balance [Note]					
	Initial cost	Interest adjustment	Interest accrued	Changes in fair value	Carrying amount	Provision for impairment
Notes receivable	5,600,000.00				5,600,000.00	
Total	5,600,000.00				5,600,000.00	

Note: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

* The English name is for identification purpose only.

2) Receivables financing with provision for impairment made on a collective basis

Items	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Bank acceptance portfolio	6,000,000.00		
Trade acceptance portfolio	80,000.00		
Subtotal	6,080,000.00		

Remarks on the determination basis of portfolio: categorized by credit risk features based on the acceptor's credit features, and remarks on the input and assumptions used to determine the amount of provision for bad debts in current period:

The acceptors of bank acceptance are commercial banks, which are of high credit level. No provision for bad debts is made if there is no indication of impairment based on the test.

The acceptors of commercial acceptance mainly are the Company's stable customers for years that have good cash flows and sustainable profitability. No provision for bad debts is made if there is no indication of impairment based on the test.

(2) Endorsed or discounted but undue notes at the balance sheet date

Items	Closing balance derecognized
Bank acceptance	43,938,580.00
Subtotal	43,938,580.00

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

5. Advances paid

(1) Age analysis

1) Details

Ages	Closing balance			
	Book balance	% to total	Provision for bad debts	Carrying amount
Within 1 year	6,495,930,062.33	70.71		6,495,930,062.33
1-2 years	515,578,691.03	5.61		515,578,691.03
2-3 years [Note]	1,115,510,776.77	12.14		1,115,510,776.77
Over 3 years [Note]	1,059,810,105.67	11.54		1,059,810,105.67
Total	9,186,829,635.80	100.00		9,186,829,635.80

(Continued)

Ages	Opening balance			
	Book balance	% to total	Provision for bad debts	Carrying amount
Within 1 year	3,123,323,576.69	92.07		3,123,323,576.69
1-2 years	88,886,764.59	2.62		88,886,764.59
2-3 years	95,181,383.84	2.81		95,181,383.84
Over 3 years	84,783,103.20	2.50		84,783,103.20
Total	3,392,174,828.32	100.00		3,392,174,828.32

Note: Due to the acquisition of the subsidiary 河南国丰园置业有限公司 (Henan Guofengyuan Real Estate Co., Ltd.*), the “Henan Guofengyuan”) in the current period, advances paid with age of 2 to 3 years were increased by 1,052,354,911.48 yuan, and advances paid with age over 3 years were increased by 913,678,919.52 yuan.

2) Reasons for unsettlement on advances paid with age over one year and significant amount

Debtors	Closing balance	Reasons for unsettlement
郑州市中原城市开发建设投资有限公司 (Zhengzhou Zhongyuan Urban Development and Construction Investment Co., Ltd.*)	2,334,054,956.08	[Note 1]
西安市碑林区长安路中央商务区建设发展有限公司 (Xi'an Beilin District Chang'an Road Central Business District Construction and Development Co., Ltd.*)	161,998,000.00	[Note 2]
西安永德隆房地产开发有限公司 (Xi'an Yongdelong Real Estate Development Co., Ltd.*)	32,000,000.00	[Note 2]
Subtotal	2,528,052,956.08	

Note 1: It is the compensation for relocation to be paid by installments since August 2013 in accordance with the “Cooperation Agreement” entered into between Zhengzhou Zhongyuan Urban Development and Construction Investment Co., Ltd. and Henan Guofengyuan. As of December 31, 2019, the related land has not yet been bid, auctioned, or listed.

Note 2: It is the compensation for relocation paid by the subsidiary 陕西宏雅置业有限责任公司 (Shaanxi Hongya Property Co., Ltd.*) in previous years. As of December 31, 2019, the related land has not yet been bid, auctioned, or listed.

(2) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Zhengzhou Zhongyuan Urban Development and Construction Investment Co., Ltd.	2,656,860,832.84	28.92

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Debtors	Book balance	Proportion to the total balance of advances paid (%)
南京市国土资源局江宁分局 (Nanjing Municipal Bureau of Land and Resources, Jiangning Branch*)	1,080,000,000.00	11.76
内江市公共资源交易服务中心 (Neijiang Public Resource Trading Service Center*)	624,899,377.16	6.80
重庆市规划和自然资源局 (Chongqing Municipal Bureau of Planning and Natural Resources*)	460,939,000.00	5.02
沈阳市自然资源局大东分局 (Shenyang Municipal Bureau of Natural Resources, Dadong Branch*)	335,528,424.00	3.65
Subtotal	5,158,227,634.00	56.15

6. Other receivables

(1) Details

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Including: Other receivables					
Receivables with provision made on a collective basis	22,833,538,554.44	100.00	335,535,504.28	1.47	22,498,003,050.16
Including: Other receivables	22,833,538,554.44	100.00	335,535,504.28	1.47	22,498,003,050.16
Total	22,833,538,554.44	100.00	335,535,504.28	1.47	22,498,003,050.16

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Including: Other receivables					
Receivables with provision made on a collective basis	13,293,894,771.05	100.00	271,045,031.25	2.04	13,022,849,739.80
Including: Other receivables	13,293,894,771.05	100.00	271,045,031.25	2.04	13,022,849,739.80
Total	13,293,894,771.05	100.00	271,045,031.25	2.04	13,022,849,739.80

2) Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from associates	7,183,642,780.01	7,183,642.78	0.10

* The English names are for identification purpose only.

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
and joint ventures			
Portfolio grouped with deposits	5,733,218,070.49	2,866,609.04	0.05
Portfolio grouped with operating current accounts with partners	8,024,373,763.68	16,048,747.53	0.20
Portfolio grouped with other balances	1,892,303,940.26	309,436,504.93	16.35
Subtotal	22,833,538,554.44	335,535,504.28	1.47

(2) Age analysis

Items	Closing book balance
Within 1 year	17,773,552,130.96
1-2 years	4,321,934,787.66
2-3 years	304,053,201.42
3-4 years	117,699,691.17
4-5 years	42,658,710.53
Over 5 years	273,640,032.70
Subtotal	22,833,538,554.44

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	85,081,261.85	185,963,769.40		271,045,031.25
Opening balance in the current period				
--Transferred to phase II				
--Transferred to phase III	-30,569,791.87	30,569,791.87		
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period	37,784,995.51	26,959,494.33		64,744,489.84
Provision recovered in current period				
Provision reversed in current period				
Provision written off in current period	19,164.88			19,164.88
Other changes [Note]	-234,851.93			-234,851.93
Closing balance	92,042,448.68	243,493,055.60		335,535,504.28

Note: Other changes are mainly provision for bad debts decreased due to the disposal of subsidiaries.

(4) Other receivables written off in current period

Other receivables actually written off in current period totaled 19,164.88 yuan.

(5) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Operating current accounts with partners	8,024,373,763.68	1,164,509,258.24
Blanaces due from associates and joint ventures	7,183,642,780.01	7,110,187,975.28
Deposits	5,733,218,070.49	3,422,243,964.42
Payment for project cooperation	626,167,345.97	216,465,620.13
Temporary advance payment receivable	583,764,122.96	854,350,970.78
Payment for land remediation	166,034,059.79	166,033,635.00
Others	516,338,411.54	360,103,347.20
Total	22,833,538,554.44	13,293,894,771.05

(6) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
洛阳国家高新技术产业开发区管理委员会 (Luoyang National New & High Tech Industrial Development Zone Management Committee*)	Deposits	1,000,000,000.00	1-2 years	4.38	500,000.00
杭州绿盈置业有限公司 (Hangzhou Lyuying Property Co., Ltd.*)	Operating current accounts with partners	905,487,070.00	Within 1 year	3.97	1,810,974.14
中建三局西部投资有限公司 (Western Investment Construction Co., Ltd. of CCTEB*)	Operating current accounts with partners	661,271,397.99	Within 1 year	2.90	1,322,542.80
苏州新城创佳置业有限公司 (Suzhou New City Chuangjia Property Co., Ltd.*)	Operating current accounts with partners	492,571,030.00	Within 1 year	2.16	985,142.06
南京仁远投资有限公司 (Nanjing Renyuan Investment Co., Ltd.*)	Operating current accounts with partners	458,520,416.40	Within 1 year	2.01	917,040.83
Subtotal		3,517,849,914.39		15.42	5,535,699.83

7. Inventories

(1) Details

Items	Closing balance		
	Book balance	Provision for write-down	Carrying amount
Raw materials	26,868,745.39		26,868,745.39
Low-value consumables	846,360.73		846,360.73
Goods on hand	86,862,051.21		86,862,051.21

* The English names are for identification purpose only.

Items	Closing balance		
	Book balance	Provision for write-down	Carrying amount
Development cost	192,394,659,186.33	801,564,979.99	191,593,094,206.34
Goods to be developed	2,187,249,600.00		2,187,249,600.00
Developed goods	19,194,262,482.44	226,757,120.96	18,967,505,361.48
Leased developed goods	296,439,717.53		296,439,717.53
Finished but unsettled assets under construction contract	1,082,557,590.22		1,082,557,590.22
Total	215,269,745,733.85	1,028,322,100.95	214,241,423,632.90

(Continued)

Items	Opening balance		
	Book balance	Provision for write-down	Carrying amount
Raw materials	9,055,711.50		9,055,711.50
Low-value consumables	1,331,312.92		1,331,312.92
Goods on hand	239,921,994.78		239,921,994.78
Development cost	129,584,433,017.80		129,584,433,017.80
Goods to be developed	11,357,837,263.38		11,357,837,263.38
Developed goods	18,925,048,650.59	86,124,211.81	18,838,924,438.78
Leased developed goods	560,139,656.71		560,139,656.71
Finished but unsettled assets under construction contract	243,243,153.44		243,243,153.44
Total	160,921,010,761.12	86,124,211.81	160,834,886,549.31

(2) Provision for inventory write-down

1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual [Note]	Others	Reversal or write-off	Others	
Development cost		801,564,979.99				801,564,979.99
Developed goods	86,124,211.81	179,915,813.68		34,932,786.53	4,350,118.00	226,757,120.96
Subtotal	86,124,211.81	981,480,793.67		34,932,786.53	4,350,118.00	1,028,322,100.95

Note: In the current reporting period, provision for inventory write-down of 46,532,373.01 yuan was made for Chongqing Jinke Gongyuan Wangfu, 164,109,776.47 yuan for Anhui Haiyu Dongfang, 48,178,010.29 yuan for Duhui Dagan, 29,951,755.39 yuan for Sichuan Jinke Dongfang Yajun, 12,757,763.51 yuan for Shuangnan Tiandu, 36,439,005.12 yuan for Jinke Tianchen, 27,805,814.50 yuan for Jinke Jimei Tianchen, 521,282,513.68 yuan for Shangdong Dongfang Bocui, 94,423,781.70 yuan for Jiangxi Jinke Jimei Gonguan, totaling 981,480,793.67 yuan.

2) Determination basis of net realizable value and reasons for the reversal or write-off of provision for inventory write-down

a. Determination basis of net realizable value

For the surplus developed goods of the completed real estate projects at the end of the period, the net realizable value is determined based on the estimated selling price less the estimated selling expenses and corresponding taxes and surcharges; for the development costs of uncompleted real estate projects at the end of the period and goods to be developed, the net realizable value is determined based on the estimated selling price less the cost to be incurred to completion, the estimated selling expenses and corresponding taxes and surcharges; the estimated selling price is divided into price for presold part and price for unsold part, the estimated selling price for presold part is determined at actual contractual amount, and price for unsold part is determined based on recent average selling price or the market price of similar products in combination with the project's position, quality and sales plan.

b. Reasons for the reversal or written-off of provision for inventory write-down

The Company conducts impairment test of inventories based on actual selling price and annual sales plan. Provision for inventory write-down will be made if the accrued provisions are larger than accumulated provisions; otherwise, provision for inventory write-down will be reversed.

(3) Capitalization of borrowing cost

Among the closing balance of inventories in 2019, capitalization of borrowing costs amounts to 13,708,170,309.57 yuan (2018: 9,959,777,983.03 yuan). Capitalization rate for determining the capitalization amount of borrowing cost in 2019 is 7.76% (2018: 7.32%).

(4) Details of finished but unsettled assets under construction contract at the end of the period

Items	Amount
Accumulative costs incurred	2,278,614,633.35
Accumulative gross profit recognized	208,284,358.52
Less: Expected losses	
Settled amount	1,404,341,401.65
Finished but unsettled assets under construction contract	1,082,557,590.22

(5) Other remarks

1) Inventories – Development cost

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Beijing Guanling Homestead	September 2018	October 2021	184,810.00	1,292,532,706.00	994,475,413.10
Beijing Lingxiu	April 2017	January 2020	620,885.00	2,977,488,613.21	4,053,481,306.38
Chengdu Jinke Bocui House	May 2018	November 2020	155,695.00	1,291,432,988.55	1,169,838,472.42
Chengdu Jinke Bocui Tianchen	September 2017	April 2020	270,409.00	1,173,723,581.31	1,613,549,516.74

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Fengdu Jimei Oriental	August 2019	May 2021	223,927.00	309,228,202.36	
Fengdu Jinke Golden Coast	July 2014	July 2020	250,000.00	441,936,620.65	638,523,549.63
Foshan Jinke Bocui World	March 2018	August 2020	309,550.00	2,267,687,006.06	1,937,060,443.60
Foshan Jinke Meiwan Garden	August 2018	January 2021	234,621.00	1,123,239,468.16	841,107,487.94
Foshan Jinke Tianchenwan Mansion	August 2018	September 2020	104,221.00	589,747,575.71	379,723,520.27
Fulin Jinke Central Park City	August 2011	March 2020	243,382.00	515,272,011.96	546,024,025.13
Fulin Yangtze River Stars	August 2019	September 2021	65,000.00	354,552,628.83	
Fuyang Jimei Sunshine	May 2019	December 2021	71,643.18	358,204,252.99	
Fuyang Yifang City	May 2019	August 2021	280,211.00	1,152,337,240.87	
Ganzhou Jinke Jimei Mansion	May 2018	November 2020	88,855.00	738,412,663.73	565,212,550.37
Guang'an Jinke Jimei Tianchen	April 2019	September 2021	132,585.35	695,480,781.47	
Guanghan Jinke Jimei Shui'an	November 2018	December 2020	225,561.00	1,214,812,205.76	830,775,910.77
Guangzhou Jinke Bocui Pearl	February 2019	April 2021	194,275.96	1,206,732,726.07	
Guangzhou Jinke Jimei Lingxiu	September 2018	December 2020	294,187.00	1,776,221,230.88	1,547,115,250.85
Guigang Boyuan House	June 2019	April 2021	253,570.00	834,485,267.90	
Guiyang Longli Orient II	March 2019	October 2020	89,008.80	430,632,449.76	
Guiyang Chongtai Paradise	June 2019	September 2021	216,109.00	447,631,175.77	
Guizhou Jiuhua Linyun	July 2018	May 2021	247,143.00	1,628,817,462.42	1,477,391,970.35
Guilin Jimei Oriental I	May 2019	May 2021	245,073.00	345,246,053.50	
Handan Jinke Country Garden Emerald Lanessan	August 2019	September 2022	134,614.01	368,781,014.81	
Hangzhou Bocui House	March 2018	October 2020	251,900.00	1,883,873,682.46	1,693,842,634.31
Hangzhou Qiantang Bocui	February 2019	June 2022	527,071.00	3,855,901,331.58	
Hangzhou Jinke Taidu	December 2018	January 2022	584,098.00	3,883,859,563.73	1,702,503,564.72
Hechuan Jimei Jiangshan	December 2018	August 2020	228,885.00	1,039,342,606.93	620,074,922.56
Hefei Peninsula No. 1	May 2017	July 2020	352,575.00	735,012,939.00	1,087,605,600.19
Hefei Duhui Daguan	October 2018	June 2020	215,646.00	1,636,259,220.06	1,379,313,165.18
Hefei Haiyue Oriental Garden	June 2017	July 2020	195,666.00	836,388,106.28	1,799,021,244.72
Hefei Meike Mansion	May 2019	July 2021	254,825.50	1,656,161,023.92	
Hefei Tianchen Garden	November 2017	March 2020	490,972.00	2,563,647,064.98	3,446,124,620.81
Jinan Oriental Bocui	August 2018	July 2021	422,024.00	3,587,340,481.29	2,175,684,888.91
Jinan Jinke World City	December 2017	April 2021	747,260.00	2,116,156,366.27	1,038,858,045.99
Jinan Lanshan Mansion	November 2016	April 2020	220,408.00	1,093,616,878.76	1,538,838,142.11
Jinan Jimei Tianyue	September 2019	February 2022	272,889.00	1,355,476,969.72	
Jinan Jinke Yuanshan Building	December 2016	April 2020	74,983.00	469,223,756.02	447,094,415.23
Jiashan Jimei Jiahe	November 2017	December 2020	66,551.79	521,573,130.78	446,828,675.81
Jiangjin Jimei Oriental	March 2019	October 2021	171,962.00	784,015,443.75	
Jinke Beimeng Hushan No.1	April 2019	January 2021	100,000.00	451,256,418.70	

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Jingde Town Jinke Huadi Purple Garden	August 2019	September 2021	122,164.16	556,357,560.42	
Kunming Jimei Yuxi Tianchen	April 2019	April 2022	390,000.00	795,677,352.47	
Kunming Jimei Yuxi Stars/Tianxi	April 2019	March 2022	171,000.00	950,090,851.91	
Kunming Jimei Yuxi Xingtai	April 2019	December 2021	70,460.00	357,768,058.72	
Liaocheng Jinke Jimei Yipin	July 2019	July 2022	157,673.00	691,995,626.43	
Liuyang Tianhu New City	October 2011	April 2020	175,338.00	755,263,804.65	729,511,220.90
Liuzhou Jinke Jimei Tianyue	August 2018	May 2020	100,000.00	665,691,978.46	525,581,573.30
Liuzhou Jinke Tianchen	April 2017	March 2020	150,000.00	550,928,431.81	962,604,658.26
Luzhou Jinke Bocui Bay	November 2017	August 2020	303,766.00	1,425,304,850.68	1,760,848,198.70
Luzhou Jinke Jimei Tianchen	October 2018	June 2020	90,748.00	579,275,866.52	367,728,281.41
Luoyang Jinke Lyudu Tianchen	February 2019	December 2021	279,706.00	1,530,522,347.09	
Nanchang Jimei Sunshine Tianchen Project	April 2019	December 2021	212,272.00	1,256,381,679.64	
Nanchang Jinke Jimei Jiulong Lake	December 2018	November 2021	171,195.08	1,219,194,421.60	1,004,514,119.06
Nanchang Jinke Jimei Sunshine	November 2017	July 2021	178,119.00	1,648,403,363.35	1,177,608,931.47
Nanchong Jimei Jiayue	August 2019	April 2021	99,852.71	454,263,153.37	
Nanjing Bocai Garden	November 2017	March 2020	150,000.00	1,139,121,816.24	946,752,701.33
Nanjing Jinke Guantianxia Villa	April 2017	December 2020	192,762.19	916,075,645.38	835,686,069.74
Nanning Jinke Bocui Jiangshan	May 2019	December 2021	80,000.00	378,416,060.60	
Nanning Jinke Bocui Tianchen	September 2019	June 2021	91,154.00	488,063,306.51	
Nanning Jinke Bocui Bay	May 2019	December 2022	105,000.00	522,582,682.73	
Nanning Jinke Guantianxia	April 2017	January 2021	367,150.00	1,896,703,148.10	2,201,336,879.27
Neijiang Park Palace	October 2013	February 2020	352,081.00	650,703,615.44	1,118,155,050.73
Neijiang Jimei Tianchen	September 2018	September 2020	223,128.00	1,032,490,325.69	848,303,054.87
Neijiang Times Center	April 2014	March 2020	113,410.00	345,573,942.41	430,737,888.55
Neijiang Jinke Jadeite Park	March 2019	April 2021	210,000.00	776,637,563.91	
Ningbo Jiu Yue Neighborhood	April 2019	May 2021	166,974.00	1,366,285,854.57	
Panzhuhua Jinke Jimei Sunshine	June 2018	February 2020	261,876.00	1,071,378,672.47	728,435,133.01
Pidu Jimei Tianchen	May 2019	May 2021	100,716.28	600,863,746.74	
Pinghu Haiyue Beauty	May 2019	April 2021	75,000.00	401,654,967.97	
Pu'er Longyue House	April 2019	December 2021	80,000.00	318,408,692.56	
Qingdao Jinke Sunshine Town	April 2014	March 2020	199,413.00	794,898,279.16	799,471,007.06
Ruijin Jinke Highway Jimei Tianchen	June 2019	September 2021	70,712.00	345,970,614.85	
Shanxi Smart Technology City	November 2018	July 2020	209,983.00	572,249,643.66	378,927,820.80
Shanxi Bocui Tianchen	May 2019	March 2021	404,188.00	1,381,905,746.36	
Shanghai Xinhong Jinke Jiayiyuan	March 2018	August 2020	84,667.00	505,584,431.19	341,328,165.36

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Shaoxing Jinke Hangyue House	November 2019	March 2022	233,504.00	902,287,584.04	
Shenyang Jimei Tiancheng	September 2018	October 2020	274,381.00	1,416,092,972.07	1,240,564,312.98
Shijiazhaung Jinke Jimei County	February 2019	August 2021	94,823.93	609,416,928.72	
Suzhou Qiantang Pingjiang	July 2018	September 2020	470,361.57	3,746,670,623.42	3,187,295,940.10
Suzhou Four Seasons Spring	December 2018	December 2021	213,122.00	1,660,376,003.78	1,360,257,525.75
Suzhou Yuanjiang Building	October 2018	September 2020	165,840.87	1,367,894,023.08	964,829,768.84
Suining Jimei Jiayue	January 2019	July 2021	169,939.43	1,084,799,372.61	
Tai'an Peach Blossom Utopia	September 2017	June 2020	221,307.00	986,626,119.42	1,075,136,848.09
Taixing Jinke Jimei Ya Park	June 2019	June 2021	133,728.00	623,748,828.60	
Tangshan Jinke Jimei County	September 2018	November 2020	110,227.00	671,267,581.25	375,069,356.58
Tianjin Guanlan	September 2018	December 2021	212,696.47	1,322,284,722.46	1,052,814,875.08
Tianjin Jimei Tiancheng	June 2018	June 2021	97,976.00	315,153,886.51	328,658,956.86
Tianjin Jimei Yongyang	June 2019	September 2021	274,260.00	1,390,936,834.50	
Tianjin Jinke Bocui Bay	June 2017	October 2021	464,640.00	3,433,159,872.12	3,003,964,067.55
Tianjin Jinke Tianhu (Nanyuan)	December 2017	April 2021	218,111.00	1,332,178,959.99	1,350,343,970.21
Tianjin Quyang House	September 2018	September 2020	98,000.00	438,875,125.40	348,216,241.89
Chongqing Tongliang Bocui Cloud Mansion	May 2019	October 2020	125,000.00	623,158,650.16	
Chongqing Tongliang Jimei Oriental B11	January 2019	July 2020	125,000.00	856,819,064.67	
Wenzhou Jimei Beauty Garden	May 2019	August 2021	145,200.00	845,996,729.14	
Wuxi Henglu Family	June 2019	April 2021	182,697.00	1,259,917,906.57	
Wuxi Wealth Commercial Square	January 2013	August 2021	260,842.00	570,352,959.96	367,068,353.13
Wuxi Jinji Meizhu	January 2019	March 2021	90,190.00	598,339,354.95	
Wuxi Lihu No.1 III	December 2017	March 2020	398,406.00	2,712,590,059.56	2,695,512,297.59
Wuhan Jinke City	September 2017	June 2020	875,755.00	6,491,307,741.55	5,429,053,515.78
Wuhan Jinghuli	November 2018	March 2021	543,710.00	1,293,167,814.31	1,181,045,792.30
Xianyang Jinke World City	November 2014	August 2020	328,125.00	1,161,016,640.69	1,304,548,435.36
Xinjiang Jinke Villa Manor	March 2016	August 2020	82,744.00	346,341,370.05	435,311,759.96
Suqian Metropolitan Light Garden	October 2019	June 2022	293,911.00	1,044,947,782.38	
Xuchang Furong Tianchen	July 2018	November 2021	130,317.87	689,006,241.08	571,244,782.19
Xuchang Luming Dijing Project	August 2019	May 2022	180,000.00	820,809,926.00	
Ya'an Jinke Jimei Shuxiang Mansion	June 2019	August 2021	125,956.00	617,181,932.74	
Nanchong Jinke Jimei Tianyue	June 2019	June 2021	89,545.43	381,848,569.33	
Yibin Jimei Tianchen	April 2019	November 2020	199,186.37	673,485,621.61	
Yixing Jinke Jiuli	October 2019	December 2021	168,033.00	942,870,614.27	
Yiyang Jinke Jimei Oriental	June 2019	December 2021	148,664.78	613,094,136.66	
Xinyang Jinke Jimei Mansion	May 2019	August 2021	104,234.32	487,475,427.82	

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Yongchuan Jinke Jimei Tianchen	March 2018	March 2020	117,337.00	673,789,480.18	608,592,983.74
Yulin Jinke Jimei Tianyue	May 2019	March 2021	82,537.39	389,641,895.38	
Yuxi Taoli County	April 2019	April 2021	72,000.00	346,960,189.33	
Yueyang Jimei Oriental	December 2018	May 2021	136,844.00	507,394,561.59	364,535,495.62
Yunnan Jinke Jimei Tianyue	July 2019	December 2021	168,188.00	347,000,362.50	
Yunyang Jinke World City	February 2014	August 2020	360,611.00	360,348,545.81	628,406,716.57
Zaoyang Jinke Guantianxia	May 2019	May 2021	55,134.00	334,765,896.63	
Zhangjiagang Jinli Garden	August 2019	December 2021	141,008.00	880,034,830.05	
Changsha Jinke Times Center	July 2017	May 2020	240,741.00	496,146,400.10	555,898,341.19
Changshou Jinke World City	June 2013	July 2021	466,646.00	783,259,747.44	1,390,478,164.30
Zhenjiang Jinke Xiangsheng Yuyuan	July 2019	August 2021	90,011.20	443,934,895.39	
Chongqing Bocui Mountain Foot	May 2019	June 2021	121,100.00	759,103,800.30	
Chongqing Bocui Changjiang	October 2017	March 2020	103,229.00	937,590,500.78	737,243,740.32
Chongqing Jimei Jinwan	August 2018	March 2020	112,043.00	422,870,268.62	544,998,431.80
Chongqing Jinke Binjiang Center	October 2017	March 2020	120,000.00	476,600,370.75	348,363,086.34
Chongqing Jinke City	July 2013	January 2020	477,193.00	653,909,535.73	663,767,927.40
Chongqing Jinke Jimei Sunshine	October 2017	October 2020	299,656.00	1,714,647,096.13	1,952,808,886.61
Chongqing Jinke Jiuqu River	February 2017	December 2021	277,869.00	386,901,484.26	1,074,360,250.31
Chongqing Jinke Langting Yazhu	July 2018	April 2020	443,624.00	2,188,727,074.93	1,768,448,602.71
Chongqing Jinke Meichen	April 2019	May 2021	73,000.00	486,550,234.31	
Chongqing Jinke Meidi Yunlu	September 2019	January 2021	300,000.00	1,633,040,575.71	
Chongqing Jinke Times Center	April 2013	January 2021	585,535.00	1,772,561,532.31	1,021,860,915.93
Chongqing Jinke Yulin River	June 2017	May 2021	248,859.00	895,805,479.60	790,942,433.24
Chongqing Langyue Jiangshan	October 2018	August 2021	341,833.00	1,833,418,253.65	1,606,934,331.07
Chongqing Jinke Nanshan 19 Group	April 2019	November 2021	96,000.00	458,488,527.19	
Chongqing Tangyue House	July 2019	April 2021	235,870.00	649,571,614.14	
Chongqing Tianyi House	August 2018	September 2020	177,204.00	1,176,608,311.47	914,617,908.56
Chongqing Wushan Jinke City	July 2017	June 2020	264,886.11	518,879,856.25	481,554,737.11
Chongqing Xiyong Tianchen II	January 2016	January 2020	432,261.30	609,656,697.98	732,834,490.51
Chongqing Xiyong Tianchen I	June 2014	May 2020	504,872.70	831,155,764.73	945,184,106.78
Chongqing Xuhui Jinke Airport	September 2019	September 2021	166,712.00	840,169,298.14	
Chongqing Beibei Jimei Jiayue M01	December 2017	June 2020	236,604.66	2,213,138,368.38	1,594,470,343.75
Chongqing Beibei Jimei Jiayue M07/08	July 2017	February 2020	297,425.37	339,271,264.94	1,833,042,619.54
Chongqing Fengjie Jimei Riverside	September 2018	August 2021	154,000.00	853,440,293.55	422,776,119.04

Project name	Starting time	Expected completion time [Note 1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Zhongxian Jinke Jimei Jiangshan	May 2018	February 2021	457,594.00	1,436,694,768.88	1,144,588,191.13
Chongqing Fuling Jinke Jimei County	September 2018	May 2020	83,000.00	484,040,711.27	365,052,438.18
Chongqing Jiangjin Jimei County	January 2018	March 2020	158,941.00	576,941,827.96	755,305,912.15
Chongqing Liangping Jimei Oriental	December 2018	December 2020	164,736.00	728,668,432.71	457,648,329.40
Chongqing Kaixian Jimei Riverside Area A	June 2019	June 2021	100,937.83	493,123,690.22	
Chongqing Kaixian Jinke Bocui River Bank	April 2017	March 2020	100,000.00	345,433,150.48	414,589,647.90
Chongqing Kaixian Yongjingtai	October 2018	November 2020	170,000.00	1,034,594,235.13	678,059,755.86
Chongqing Nanchuan Jinke World City (Phase III)	December 2017	February 2020	121,899.00	704,374,586.64	613,262,867.71
Chongqing Qijiang Yujing Jiangwan	November 2018	December 2020	112,681.00	603,618,403.75	358,103,476.79
Chongqing Rongchang Liyue Oriental	December 2018	September 2020	397,463.00	1,821,338,371.43	490,593,991.49
Chongqing Tongliang Jimei Oriental B6	July 2019	December 2020	115,000.00	427,198,846.29	
Chongqing Wanzhou Jinke Guanlan	June 2015	January 2020	396,553.00	1,179,795,947.75	1,060,400,232.42
Chongqing Wushan Jinke City (Phase II)	September 2017	April 2021	223,802.00	495,632,921.19	341,862,383.90
Zhuzhou Jimei County	August 2018	April 2020	103,000.00	637,436,811.91	531,026,023.22
Ziyang Jimei Tianyuan	January 2019	May 2020	170,000.00	836,375,357.78	
Zibo Jinke Jimei Jiayi	May 2019	February 2022	180,456.25	771,940,050.23	
Zibo Jinke Jimei Jiayue	May 2018	May 2020	111,186.55	804,769,464.51	634,183,296.82
Zibo Jinke Jimei County	July 2018	July 2020	117,361.29	782,635,142.80	572,774,924.13
Zibo Jinke Jimei Tianchen	November 2018	November 2020	323,077.00	689,357,871.53	368,127,787.88
Zunyi Jinke Bailu Lake	June 2018	March 2020	93,394.00	576,746,297.78	440,859,199.18
Zunyi Jinke Jimei Oriental (Phase II)	September 2019	October 2021	174,099.19	525,421,027.24	
Zunyi Jinke Jimei Hanlin House	May 2018	September 2020	86,790.00	630,659,792.31	445,818,546.57
Zunyi Jinke Jimei Tianchen	September 2017	April 2020	80,886.00	471,238,587.18	527,770,921.18
Zunyi Jinke Wanlu House	July 2019	March 2021	256,555.00	517,984,888.45	
Others [Note 2]				21,325,327,994.57	23,003,747,567.30
Total				192,394,659,186.33	129,584,433,017.80

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

2) Inventories – Goods to be developed

Project name	Expected starting time	Expected completion time [Note1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Beijing Linxiu	April 2020	September 2021	620,885.00	1,602,680,000.00	

Project name	Expected starting time	Expected completion time [Note1]	Expected total investment (in ten thousand yuan)	Closing balance	Opening balance
Hangzhou Qiantang Bocui	April 2019	August 2021	527,071.00		3,359,117,813.49
Jinan Bocuishan	July 2019	May 2021	290,205.00		1,106,092,278.34
Jinan Jinke World City	April 2019	September 2022	747,260.00		654,774,687.05
Shanxi Bocui Tianchen	March 2019	February 2021	404,188.00		1,060,984,095.00
Shijiazhuang Jinke Jimei County	April 2019	May 2021	93,858.00		438,250,011.32
Chengdu Jinke Jimei Xingchen	June 2019	June 2020	143,748.00		193,528,936.60
Wuxi Jinke Jimei Yipin	January 2019	March 2021	90,190.00		401,450,146.39
Xuchang Yanling Flower and Spring	February 2019	May 2021	100,098.00		127,059,088.03
Yantai Bocuishan	February 2019	December 2020	210,870.00		459,000,000.00
Yueyang Meidi Jinke Village	December 2019	March 2022	132,662.00		285,157,657.00
Yunyang Jimei Jiangyue III, IV	June 2019	December 2021	127,473.00		197,517,462.10
Zhengzhou Jinke Palace	March 2019	August 2020	112,207.34		252,639,711.40
Chongqing Jinke Nanshan 19 Group	April 2019	October 2021	96,000.00		329,672,491.72
Chongqing Jinke Nanshan 3-2 Group	May 2019	December 2022	33,075.00		143,221,888.53
Chongqing Dazu Jimei Tianchen	May 2019	November 2020	58,500.00		122,056,539.64
Chongqing Tongliang Jimei Oriental B11	January 2019	July 2020	125,000.00		213,044,915.29
Chongqing Tongliang Jimei Oriental B6	September 2019	December 2020	115,000.00		141,148,808.38
Ziyang Jimei Tianyue	January 2019	January 2021	170,000.00		573,242,657.46
Zunyi Jinke Guantianxia	July 2019	March 2022	86,790.00		469,885,101.58
Others [Note 2]				584,569,600.00	829,992,974.06
Total				2,187,249,600.00	11,357,837,263.38

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

3) Inventories – Developed goods

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Chenzhou Jinke City	August 2019	61,944,661.16	824,053,215.06	736,760,637.88	149,237,238.34
Chengdu Jinke Bocui Linhu	December 2019		921,128,540.85		921,128,540.85
Chengdu Jinke Bocui Tianchen	December 2019		1,203,430,258.94		1,203,430,258.94
Chengdu Jinke Oriental Village	September 2019	126,494,057.32	328,196,551.84	355,221,824.33	99,468,784.83
Chengdu Jinke Tianchen	September 2019	394,972,407.43	482,865,715.83	822,277,633.29	55,560,489.97
Fengdu Jinke Golden Coast	December 2019	56,806,126.71	509,768,204.90	455,173,745.78	111,400,585.83

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Fulin Jinke Central Park City	December 2019	98,186,229.24	472,883,588.73	489,700,003.57	81,369,814.40
Hefei Peninsula No. 1	December 2019	196,580,100.74	798,794,656.56	680,717,835.00	314,656,922.30
Hefei Haiyue Oriental Garden	May 2019		1,113,838,762.06	923,516,211.63	190,322,550.43
Hefei Jinyue Garden	December 2019		628,052,283.58	467,822,105.29	160,230,178.29
Hefei Tianchen Garden	August 2019		1,324,123,624.69		1,324,123,624.69
Jinan Lanshan Mansion	November 2019		834,536,794.91	834,353,204.92	183,589.99
Jinke Shuangnan Tiandu	January 2018	359,975,429.66		28,561,991.96	331,413,437.70
Liuzhou Jinke Tianchen	November 2019	524,166,698.44	635,535,763.77	1,109,578,484.64	50,123,977.57
Liuzhou Jinke Xingchen	September 2019		663,656,504.56	629,568,532.53	34,087,972.03
Luzhou Jinke Bocui Bay	December 2019		955,850,357.90	837,914,769.02	117,935,588.88
Nanchong Jimei Tianchen	December 2019		322,068,399.80	322,068,399.80	
Nanning Jinke Guantianxia	April 2019		855,321,805.35	811,141,908.28	44,179,897.07
Nantong Langqiao Water Bank	December 2019	105,346,083.15	1,030,442,559.74	939,503,787.40	196,284,855.49
Neijiang Jinke Park Palace	December 2019	196,528,526.97	901,055,829.54	952,542,669.51	145,041,687.00
Qingdao Jinke Sunshine Town	October 2019	1,471,294.47	313,322,974.26	241,755,407.93	73,038,860.80
Rongchang Jinke World City	December 2019	90,688,280.86	544,758,571.58	585,068,722.45	50,378,129.99
Rugao Jinke World City	December 2019	87,136,833.55	428,875,018.22	488,888,815.63	27,123,036.14
Shanxi Smart Technology City	December 2019		504,364,300.00	504,364,300.00	
Suzhou Jinke Jimei Yard	August 2019		1,141,291,331.55	989,613,181.87	151,678,149.68
Suining Jinke Meihuwan Xiangshang	December 2019		917,196,995.97	566,960,391.15	350,236,604.82
Tai'an Peach Blossom Utopia	December 2019	36,146,143.91	371,884,718.29	357,496,336.33	50,534,525.87
Tianjin Jinke Tianhu (Beiyuan)	February 2019		578,050,434.34	390,752,493.48	187,297,940.86
Beijing Jinke Tianxi	August 2017	869,068,201.22		400,315,322.76	468,752,878.46
Beijing Jinke Center	August 2018	2,504,798,669.53		1,991,437,890.78	513,360,778.75
Wuxi Lihu No.1 III	December 2019	111,158,981.56	704,571,302.44	703,302,866.60	112,427,417.40
Xi'an Jinke Tianlaicheng	November 2018	560,101,699.92		393,077,762.32	167,023,937.60
Xianyang Jinke World City	December 2019	22,318,822.62	905,114,645.02	883,858,000.80	43,575,466.84
Ya'an Jinke Tianchen	November 2019		1,239,165,372.96	1,099,038,072.89	140,127,300.07
Yongchuan Jinke Jimei Tianchen	December 2019		388,793,524.20	320,982,997.47	67,810,526.73
Yunnan Jinke Langqiao Water Bank	August 2019		1,440,206,127.70	1,348,865,912.94	91,340,214.76
Yunyang Jinke World City	June 2019	99,022,488.40	588,860,401.65	454,958,281.88	232,924,608.17
Zhangjiagang Bocui Mansion	July 2019		502,543,929.35	379,462,652.83	123,081,276.52

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Changsha Jinke World City	February 2019	355,675,175.91	139,142,112.40	310,035,353.04	184,781,935.27
Changsha Science and Technology New City	December 2019	16,625,520.89	865,489,774.68	669,800,425.66	212,314,869.91
Changshou Jinke World City	September 2019	128,856,370.31	1,029,205,311.15	982,560,492.99	175,501,188.47
Chongqing Bishan Central Park City	April 2019	258,023,975.24	267,932,871.04	427,612,686.06	98,344,160.22
Chongqing Jimei Jinwan	December 2019		402,738,878.04	225,455,565.23	177,283,312.81
Chongqing Jiangjin Jinke World City	August 2019	126,350,220.66	480,958,871.63	506,464,486.59	100,844,605.70
Chongqing Jiangjin Central Park City	November 2019	197,471,592.34	426,045,351.58	461,703,665.81	161,813,278.11
Chongqing Jinke City	June 2019	357,347,094.92	281,450,539.36	412,475,095.10	226,322,539.18
Chongqing Jinke Jimei Sunshine	August 2019		620,844,598.87	561,429,642.52	59,414,956.35
Chongqing Jinke Jiuqu River	August 2019	1,162,519,767.86	1,048,815,045.25	1,371,842,619.44	839,492,193.67
Chongqing Jinke Langqiao Watery Region	April 2019	472,198,903.60	40,440,916.53	80,801,780.71	431,838,039.42
Chongqing Jinke Tianyuan Road (Phase I)	October 2019	267,945,436.94	647,310,799.28	670,686,947.19	244,569,289.03
Chongqing Jinke Yulin River	July 2019	519,503,578.67	293,392,738.60	687,346,675.74	125,549,641.53
Chongqing Liangjiang Health Science and Technology New City	April 2019	82,477,722.54	509,110,076.82	303,572,199.55	288,015,599.81
Chongqing Nanchuan Jinke World City	April 2019	172,608,874.91	328,441,303.79	316,057,865.58	184,992,313.12
Chongqing Tianyuandao plot II	December 2019	144,318,597.47	1,288,034,461.61	1,187,977,249.47	244,375,809.61
Chongqing Wushan Jinke City	December 2019	163,211,168.04	358,548,168.61	294,464,176.78	227,295,159.87
Chongqing Xiyong Tianchen II	October 2019	970,223,217.32	446,887,117.69	1,203,318,132.41	213,792,202.60
Chongqing Xiyong Tianchen I	November 2019	211,100,978.40	353,945,449.98	187,995,446.16	377,050,982.22
Chongqing Beibei Jimei Jiayue M07/08	August 2019		1,711,419,487.61	1,548,222,861.76	163,196,625.85
Chongqing Bishan Bocui Tianyue	June 2019		365,136,169.92	359,340,445.92	5,795,724.00
Chongqing Dazu Jinke Central Park City	December 2019	228,902,603.97	479,158,354.71	434,836,997.10	273,223,961.58
Chongqing Fulin Jinke Tianchen	December 2019	139,662,797.35	1,008,849,807.60	987,516,453.13	160,996,151.82
Chongqing Jiangjin Jimei County	December 2019		740,720,105.08	608,619,705.84	132,100,399.24
Chongqing Kaixian Bocui River Bank	December 2019		307,973,184.13	240,903,730.34	67,069,453.79
Chongqing Kaixian Jimei Lakeside	September 2019		597,195,154.49	507,053,947.89	90,141,206.60
Chongqing Kaixian Jinke Tianhuyin Phase II	November 2019		979,145,770.54	881,289,030.18	97,856,740.36
Chongqing Kaixian Yunxitai	February 2019	557,311,158.52	292,137,931.45	717,150,430.82	132,298,659.15
Chongqing Kaixian Jinke Yunxitai III	September 2019		553,114,337.62	478,017,077.34	75,097,260.28
Chongqing Nanchuan Jinke World City (Phase III)	August 2019		327,820,374.04	324,067,448.71	3,752,925.33

Project name	Completion time [Note 1]	Opening balance	Increase	Decrease	Closing balance
Chongqing Wanzhou Jinke Guanlan	December 2019	319,000,259.09	422,557,063.68	471,455,650.84	270,101,671.93
Chongqing Yongchuan Tianyue House	December 2019		314,608,417.24	237,006,207.73	77,602,209.51
Zunyi Jinke Jimei Tianchen	October 2019		300,863,652.07	294,579,233.46	6,284,418.61
Zunyi Jinke Central Park City	September 2019	104,013,423.41	590,396,248.72	523,977,234.15	170,432,437.98
Others [Note 2]		5,466,788,475.37	3,705,177,641.68	4,658,137,205.60	4,513,828,911.45
Total		18,925,048,650.59	47,899,611,153.63	47,630,397,321.78	19,194,262,482.44

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

4) Inventories – Leased developed goods

Project name	Opening balance	Increase	Decrease	Closing balance
Chongqing Jinsha Water Bank	7,720,006.63		7,720,006.63	
Chongqing Yunhu Tiandu	27,728,248.96		27,728,248.96	
Chongqing Jinke Ten Years City	10,161,734.96		10,161,734.96	
Chongqing Langqiao Water Bank	18,692,902.18		18,692,902.18	
Chongqing VISAR International	18,767,634.24		18,767,634.24	
Chongqing Jinke Xicheng Courtyard	3,480,846.60		3,480,846.60	
Chongqing Jinke Sunshine Town	11,265,233.55		11,265,233.55	
Chongqing Jinke Langqiao Watery Region	21,040,725.00		21,040,725.00	
Chongqing Chayuan Huajie Project	15,448,773.00		469,204.80	14,979,568.20
Chongqing Bishan Central Park City	10,099,551.84		10,099,551.84	
Chongqing Fulin Jinke Golden Coast	3,156,318.77		102,337.92	3,053,980.85
Chongqing Fulin Jinke Tianhu Town	2,154,888.86		2,154,888.86	
Chongqing Changshou Jinke Sunshine Town	12,372,445.62		12,257,466.50	114,979.12
Chongqing Changshou Jinke World City	11,735,300.64	14,400,829.57	24,177,715.73	1,958,414.48
Chongqing Fulin Jinke World Corridor A	50,923,618.32		50,923,618.32	
Liuyang Tianhu New City	23,256,220.85		740,187.84	22,516,033.01
Changsha Jinke World City	5,183,817.18	144,435.86	2,190,433.96	3,137,819.08
Shuzhou Fengjing Yiting	147,904,356.22		30,275,547.46	117,628,808.76
Suzhou Xinhong Jinke Jiayiyuan	60,163,835.10		1,663,112.76	58,500,722.34
Chongqing Yongchuan Jinke Central Park City	44,063,196.69		1,086,682.68	42,976,514.01

Project name	Opening balance	Increase	Decrease	Closing balance
Chongqing Rongchang World City II	6,522,381.18		274,521.08	6,247,860.10
Hunan Changsha Science and Technology New City	48,297,620.32		22,972,602.74	25,325,017.58
Total	560,139,656.71	14,545,265.43	278,245,204.61	296,439,717.53

(6) As of December 31, 2019, the carrying amount of inventories pledged for borrowings totaled 79,614,260,549.72 yuan (2018: 54,652,681,568.84 yuan).

8. Other current assets

(1) Details

Items	Closing balance	Opening balance
Turnover tax to be transferred	5,844,779,485.99	3,949,754,661.18
VAT to be credited	1,185,826,302.37	700,643,176.12
Total	7,030,605,788.36	4,650,397,837.30

(2) Other remarks

For commercial housing advances not recognized as revenue, taxes including urban maintenance and construction tax, education surcharge, local education surcharge, enterprise income tax, land appreciation tax and VAT input tax to be credited that are levied at statutory tax rate are presented under other current assets.

9. Debt investments

Items	Closing balance				
	Initial cost	Interest adjustment	Interest accrued	Provision for impairment	Carrying amount
Other debt investments [Note 1]	216,497,850.00				216,497,850.00
Total	216,497,850.00				216,497,850.00

(Continued)

Items	Opening balance [Note 2]				
	Initial cost	Interest adjustment	Interest accrued	Provision for impairment	Carrying amount
Other debt investments [Note 1]	316,018,915.78				316,018,915.78
Total	316,018,915.78				316,018,915.78

Note 1: It is the trust protection funds.

Note 2: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

10. Available-for-sale financial assets

There is no balance at the beginning of the period. Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

11. Long-term equity investments

(1) Categories

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	7,580,386,342.44		7,580,386,342.44
Investments in joint ventures	6,041,340,200.23		6,041,340,200.23
Total	13,621,726,542.67		13,621,726,542.67

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Investments in associates	3,679,905,481.34		3,679,905,481.34
Investments in joint ventures	3,687,840,807.30		3,687,840,807.30
Total	7,367,746,288.64		7,367,746,288.64

(2) Details

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures					
重庆金佳禾房地产开发有限公司 (Chongqing Jinjiahe Real Estate Development Co., Ltd.* , the "Chongqing Jinjiahe")	710,080,033.42			382,673,188.48	
重庆金嘉海房地产开发有限公司 (Chongqing Jinjiahai Real Estate Development Co., Ltd.* , the "Chongqing Jinjiahai")	-3,267,549.60			-15,546,281.19	
常州金科房地产开发有限公司 (Changzhou Jinke Real Estate Development Co., Ltd.* , the "Changzhou Jinke")	14,550,621.75			-4,235,919.39	
嘉善天宸房地产开发有限公司 (Jiashan Tianchen Real Estate Development Co., Ltd.* , the "Jiashan Tianchen")	12,126,808.27	500.00		-11,391,907.08	
嘉善盛泰置业有限公司 (Jiashan Shengtai Property Co., Ltd.* , the	-824,632.77			-19,141,895.13	

* The English names are for identification purpose only.

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
“Jiashan Shengtai”)					
Henan Guofengyuan [Note 1]	47,486,760.89		47,486,760.89		
河南中书置业有限公司 (Henan Zhongshu Property Co., Ltd.* , the “Zhongshu Property”)	-16,154,666.63			-58,235,312.42	
石家庄金科房地产开发有限公司 (Shijiazhuang Jinke Real Estate Development Co., Ltd.* , the “Shijiazhuang Jinke”)	50,438,171.93			-7,666,733.82	
石家庄金科天耀房地产开发有限公司 (Shijiazhuang Jinke Tianyao Real Estate Development Co., Ltd.* , the “Shijiazhuang Tianyao”)	19,881,002.83			3,644,044.22	
石家庄金辉迎旭房地产开发有限公司 (Shijiazhuang Jinhui Yingxu Real Estate Development Co., Ltd.*)	209,444,346.88			-10,322,760.80	
石家庄金辉天宁房地产开发有限公司 (Shijiazhuang Jinhui Tianning Real Estate Development Co., Ltd.*)	84,656,558.62			-1,048,251.95	
石家庄金辉房地产开发有限公司 (Shijiazhuang Jinhui Real Estate Development Co., Ltd.* , the “Shijiazhuang Jinhui”)	219,356,899.39			-3,308,016.92	
河北国控蓝城房地产开发有限公司 (Hebei Guokong Lancheng Real Estate Development Co., Ltd.* , the “Guokong Lancheng”)	265,040,151.47			-8,308,646.39	
深圳市创良投资管理有限公司 (Shenzhen Chuangliang Investment Management Co., Ltd.* , the “Chuangliang Investment”)	-1,483.66			-838,826.82	
重庆盛牧房地产开发有限公司 (Chongqing Shengmu Real Estate Development Co., Ltd.* , the “Chongqing Shengmu”)	464,648,227.67			59,065,049.14	
重庆金碧辉房地产开发有限公司 (Chongqing Jinbihui Real Estate Development Co., Ltd.* , the “Chongqing Jinbihui”)	6,458,318.15			44,797,105.54	
重庆市碧金辉房地产开发有限公司 (Chongqing Bijinhui Real Estate Development Co., Ltd.* , the “Chongqing Bijinhui”)	-1,744,144.58			22,377,823.38	
重庆美科房地产开发有限公司 (Chongqing Meike Real Estate Development Co., Ltd.* , the “Chongqing Meike”)	14,949,296.42			81,756,309.04	
重庆市碧嘉逸房地产开发有限公司 (Chongqing Bijiyayi Real Estate Development Co., Ltd.* , the “Chongqing Bijiyayi”)	-3,722,967.94			21,456,415.07	
重庆金美碧房地产开发有限公司 (Chongqing Jinmeibi Real Estate	4,967,219.10			18,302,790.48	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Development Co., Ltd.*, the “Chongqing Jinmeibi”)					
嘉善盛诚置业有限公司 (Jiashan Shengcheng Real Estate Co., Ltd.* , the “Jiashan Shengcheng”)	505,759,659.77			11,538,947.02	
重庆金碧茂置业有限公司 (Chongqing Jinbimao Real Estate Co., Ltd.* , the “Chongqing Jinbimao”)	2,907,313.38			-8,186,389.13	
重庆金科琥珀农业开发有限公司 (Chongqing Jinke Amber Agricultural Development Co., Ltd.*)	598,620.87			-116,653.49	
重庆金熙健康管理有限公司 (Chongqing Jinxi Health Management Co., Ltd.* , the “Chongqing Jinxi Health”)	7,841,818.75			-2,949,785.89	
南京裕鸿房地产开发有限公司 (Nanjing Yuhong Real Estate Development Co., Ltd.* , the “Nanjing Yuhong”)	6,559,291.50			-3,091,244.86	
重庆市金科骏志房地产开发有限公司 (Chongqing Jinke Junzhi Real Estate Development Co., Ltd.* , the “Jinke Junzhi”)	13,714,261.84			-4,060,380.11	
福建希尔顿假日大酒店有限公司 (Fujian Hilton Holiday Hotel Co., Ltd.* , the “Fujian Hilton”)	72,103,224.20			-6,909,566.98	
重庆品锦悦房地产开发有限公司 (Chongqing Pinjinyue Real Estate Development Co., Ltd.* , the “Chongqing Pinjinyue”)	9,427,510.41			9,557,047.03	
太仓卓润房地产开发有限公司 (Taicang Zhuorun Real Estate Development Co., Ltd.* , the “Taicang Zhuorun”)	131,134,964.73			-4,351,037.62	
合肥市碧合房地产开发有限公司 (Hefei Bihe Real Estate Development Co., Ltd.* , the “Hefei Bihe”)	21,361,905.22			-12,065,745.92	
许昌金耀房地产有限公司 (Xuchang Jinyao Real Estate Development Co., Ltd.* , the “Xuchang Jinyao”)	24,675,040.06			-4,411,390.37	
洛阳都利置业有限公司 (Luoyang Duli Property Co., Ltd.* , the “Luoyang Duli”)	21,094,035.15			-6,197,709.89	
重庆西联锦房地产开发有限公司 (Chongqing Xilianjin Real Estate Development Co., Ltd.* , the “Chongqing Xilianjin”)	6,074,466.91			-5,603,367.66	
常州百俊房地产开发有限公司 (Changzhou Baijun Real Estate Development Co., Ltd.* , the “Changzhou Baijun”)	-10,951,198.79			-15,194,872.16	
重庆昆翔誉棠房地产开发有限公司	15,402,780.47			-11,733,657.05	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
司 (Chongqing Kunxiang Yutang Real Estate Development Co., Ltd.* , the “Kunxiang Yutang”)					
重庆西道房地产开发有限公司 (Chongqing Xidao Real Estate Development Co., Ltd.* , the “Chongqing Xidao”)	18,148,147.24			-14,382,141.78	
南宁市耀鑫房地产开发有限公司 (Nanning Yaoxin Real Estate Development Co., Ltd.* , the “Nanning Yaoxin”)	14,409,987.22			-9,497,043.94	
成都领跑房地产开发有限公司 (Chengdu Lingpao Real Estate Development Co., Ltd.* , the “Chengdu Lingpao”)	12,676,207.87			-26,293,366.05	
重庆金江联房地产开发有限公司 (Chongqing Jinjianglian Real Estate Development Co., Ltd.* , the “Chongqing Jinjianglian”)	399,538,574.40			-12,936,135.33	
佛山市金集房地产开发有限公司 (Foshan Jinji Real Estate Development Co., Ltd.* , the “Foshan Jinji”)	29,900,686.99		360,273.00	-1,105,554.82	
云南诚鼎房地产开发有限公司 (Yunnan Chengding Real Estate Development Co., Ltd.* , the “Yunnan Chengding”)	4,434,017.83			-379,814.94	
郑州远威企业管理咨询咨询有限公司 (Zhengzhou Yuanwei Enterprise Management Consulting Co., Ltd.* , the “Yuanwei Consulting”)	23,341,375.11			-262.67	
城口县金科迎红巴渝民宿有限公司 (Chengkou Jinke Yinghong Bayu Homestay Co., Ltd.* , the “Chengkou Yinghong”)	10,200,833.35			58,481.49	
重庆美城金房地产开发有限公司 (Chongqing Meichengjin Real Estate Development Co., Ltd.* , the “Chongqing Meichengjin”)	59,172,735.37			-6,778,515.52	
郑州新银科置业有限公司 (Zhengzhou Xinyinke Property Co., Ltd.* , the “Zhengzhou Xinyinke”)	189,945,575.84			150,975,103.42	
湖北交投海陆景炎帝置业开发有限公司 (Hubei Jiaotou Hailu Jingyandi Real Estate Development Co., Ltd.*)		43,647,800.00		-82,094.00	
湖北交投海陆景随州置业开发有限公司 (Hubei Jiaotou Hailujing Suizhou Real Estate Development Co., Ltd.* , the “Hailujing Suizhou”)		55,116,200.00		-1,932,855.53	
湖北交投海陆景编钟置业开发有限公司 (Hubei Jiaotou Hailujing Bianzhong Real Estate Development Co., Ltd.*)		39,587,000.00		-91,384.70	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
玉林市龙河碧桂园房地产开发有限公司 (Yulin Longhe Country Garden Real Estate Development Co., Ltd.*, the “Yulin Longhe”)		21,025,661.00		-1,545,988.36	
青岛恒美置业有限公司 (Qingdao Hengmei Real Estate Co., Ltd.*, the “Qingdao Hengmei”)		45,000,000.00		-949,487.43	
青岛世茂博玺置业有限公司 (以下简称青岛世茂博玺) (Qingdao Shimao Boxi Real Estate Co., Ltd.*, the “Qingdao Shimao Boxi”)		29,400,000.00		-1,662,091.66	
成都怡置星怡房地产开发有限公司 (Chengdu Yizhi Xingyi Real Estate Development Co., Ltd.*, the “Chengdu Yizhi Xingyi”)		16,500,000.00		-6,215,277.91	
安阳昌建房地产有限公司 (Anyang Changjian Real Estate Co., Ltd.*, the “Anyang Changjian”)		8,000,000.00		-1,923,980.99	
滨州宝驰置业有限公司 (Binzhou Baochi Real Estate Co., Ltd.*, the “Binzhou Baochi”)				-583,830.25	
广西盛灿房地产开发有限公司 (Guangxi Shengcan Real Estate Development Co., Ltd.*, the “Guangxi Shengcan”)				-59,036.45	
广西唐鹏投资有限公司 (Guangxi Tangpeng Investment Co., Ltd.*, the “Guangxi Tangpeng”)		50,000,000.00		-75,123.92	
金科置信集团有限公司 (Jinke Zhixin Group Co., Ltd.*, the “Jinke Zhixin”)		502,000,000.00		-39,012,021.75	7,813,153.67
句容市锐翰房地产开发有限公司 (Jurong Ruihan Real Estate Development Co., Ltd.*, the “Jurong Ruihan”) [Note 2]		68,670,572.16			
兰溪鸿科置业有限公司 (Lanxi Hongke Real Estate Co., Ltd.*, the “Lanxi Hongke”)		5,000,000.00		-1,410,179.28	
上饶市科颂置业有限公司 (Shangrao Kesong Real Estate Co., Ltd.*, the “Shangrao Kesong”)				-34,490.34	
义乌市联祥置业有限公司 (Yiwu Lianxiang Real Estate Co., Ltd.*, the “Yiwu Lianxiang”)				-1,279,902.71	
大连弘坤实业有限公司 (Dalian Hongkun Industrial Co., Ltd.*, the “Dalian Hongkun”) [Note 2]		37,025,192.22		5,043,756.76	
河南金上百世置业有限公司 (Henan Jinshang Baishi Property Co., Ltd.*, the “Jinshang Baishi”) [Note 2]		57,095,481.57		-1,795,673.03	
湖南金科房地产开发有限公司 (Hunan Jinke Real Estate Development Co., Ltd.*, the “Hunan Jinke”) [Note 2]		868,360,303.18		-111,594,748.20	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
郑州千上置业有限公司 (Zhengzhou Qianshang Real Estate Co., Ltd.*, the “Qianshang Real Estate”) [Note 2]		55,191,861.21		386,897.03	
漯河市昌建融联置业有限公司 (Luohe Changjian Ronglian Real Estate Co., Ltd.*, the “Luohe Changjian Ronglian”)		9,000,000.00		-1,012,630.23	
周口碧天置业有限公司 (Zhoukou Bitian Property Co., Ltd.*, the “Zhoukou Bitian”)		34,313,720.00		-2,468,918.64	
驻马店市碧盛置业有限公司 (Zhumadian Bisheng Real Estate Co., Ltd.*, the “Zhumadian Bisheng”)		48,040,000.00		-4,407,010.80	
湖北交投金科物业服务有限公司 (Hubei Jiaotou Jinke Property Service Co., Ltd.*, the “Hubei Jiaotou Jinke Property”)				159,587.04	
苏州金峯房地产开发有限公司 (Suzhou Jinqiao Real Estate Development Co., Ltd.*, the “Suzhou Jinqiao”)		20,000,000.00		-368,105.70	
重庆金南盛唐房地产开发有限公司 (Chongqing Jinnan Shengtang Real Estate Development Co., Ltd.*, the “Chongqing Jinnan Shengtang”)		8,000,000.00		-697,250.82	
重庆威斯勒建设有限公司 (Chongqing Whistler Construction Co., Ltd.*, the “Chongqing Whistler”)		42,385,000.00		-6,127,292.54	
Subtotal	3,687,840,807.30	2,063,359,291.34	47,847,033.89	330,173,981.81	7,813,153.67
Associates					
重庆银海融资租赁有限公司 (Chongqing Yinhai Finance Lease Co., Ltd.*, the “Yinhai Lease”)	79,871,856.52			6,872,805.18	
南宁融创世承置业有限公司 (Nanning Sunac Shicheng Property Co., Ltd.*, the “Nanning Sunac”)	479,705,601.38			-19,275,104.79	
前海博通（深圳）基金管理有限公司 (Qianhai Botong (Shenzhen) Fund Management Co., Ltd.*, the “Qianhai Botong”)	6,347,058.12				
苏州天宸房地产开发有限公司 (Suzhou Tianchen Real Estate Development Co., Ltd.*, the “Suzhou Tianchen”)	16,120,250.97			19,509,409.64	
云南金科鑫海汇置业有限公司 (Yunnan Jinke Xinhaihui Property Co., Ltd.*, the “Xinhaihui Property”)	250,827,273.99			2,553,212.27	
新疆金科宇泰房地产开发有限公司 (Xinjiang Jinke Yutai Real Estate Development Co., Ltd.*, the	36,145,139.43			-1,405,641.74	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
“Jinke Yutai”)					
五家渠金科房地产开发有限公司 (Wujiaqu Jinke Real Estate Development Co., Ltd. *, the “Wujiaqu Jinke”)	27,409,161.53			12,143,523.95	
新疆金科坤泰房地产开发有限公司 (Xinjiang Jinke Kuntai Real Estate Development Co., Ltd. *, the “Jinke Kuntai”)	34,918,924.35			3,390,874.53	
杭州金渝房地产开发有限公司 (Hangzhou Jinyu Real Estate Development Co., Ltd. *, the “Hangzhou Jinyu”)	122,544,282.08			-5,856,335.74	
广西乾汛禄建筑装饰工程有限公司 (Guangxi Qianxunlu Construction Decoration Engineering Co., Ltd. *, the “Guangxi Qianxunlu”)	-583,437.01			2,393,248.13	
成都市盛部房地产开发有限公司 (Chengdu Shengbu Real Estate Development Co., Ltd. *, the “Chengdu Shengbu”)	12,223,282.01			-4,865,849.81	
成都圳钰商贸有限公司 (Chengdu Zhenyu Trading Co., Ltd. *)	686,010,404.80			-91,783.81	
遵义市美骏房地产开发有限公司 (Zunyi Meijun Real Estate Development Co., Ltd. *, the “Zunyi Meijun”)	193,217,921.44	49,000,000.00		-3,500,742.14	
上海臻墨利房地产开发有限公司 (Shanghai Zhenmoli Real Estate Development Co., Ltd. *)	900,000,604.51			-5,362.57	
常熟金宸房地产开发有限公司 (Changshu Jinchen Real Estate Development Co., Ltd. *, the “Changshu Jinchen”)	390,844,488.46			-13,616,086.32	
句容市金嘉润房地产开发有限公司 (Jurong Jinjiarun Real Estate Development Co., Ltd. *, the “Jurong Jinjiarun”)	-41,145.12			-55,634.30	
南宁金泓盛房地产开发有限公司 (Nanning Jinhongsheng Real Estate Development Co., Ltd. *, the “Nanning Jinhongsheng”)	16,500,217.70			-5,187,634.49	
天津嘉博房地产开发有限公司 (Tianjin Jiabo Real Estate Development Co., Ltd. *, the “Tianjin Jiabo”)	70,426,580.27			-11,927,676.63	
重庆市金科杰夫教育科技有限公司 (Chongqing Jinke Jiefu Education Technology Co., Ltd. *, the “Jinke Jiefu”)	19,521,376.17			106,776.05	
云南嘉逊房地产开发有限公司 (Yunnan Jiaxun Real Estate Development Co., Ltd. *, the “Yunnan Jiaxun”)	92,334,213.71			-7,175,060.17	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
岳阳县鼎岳房地产开发有限公司 (Yueyang Dingyue Real Estate Development Co., Ltd. *, the “Yueyang Dingyue”)	114,089,293.60			-8,244,156.57	
常州天宸房地产开发有限公司 (Changzhou Tianchen Real Estate Development Co., Ltd. *, the “Changzhou Tianchen”)	-528,238.75	33,000,000.00		-27,567,661.07	
合肥昌恩房地产开发有限公司 (Hefei Chang'en Real Estate Development Co., Ltd. *, the “Hefei Chang'en”)	132,000,773.11			-6,019,679.18	
云南金宏雅房地产开发有限公司 (Yunnan Jinhongya Real Estate Development Co., Ltd. *, the “Yunnan Jinhongya”)	-401.93	107,800,000.00		-5,927,723.62	
常德市鼎业房地产开发有限公司 (Changde Dingye Real Estate Development Co., Ltd. *, the “Changde Dingye”)		139,720,000.00		-5,414,322.08	
重庆奥航房地产开发有限公司 (Chongqing Aohang Real Estate Development Co., Ltd. *, the “Chongqing Aohang”)		137,200,000.00		-963,355.99	
潍坊德利信房地产开发有限公司 (Weifang Delixin Real Estate Development Co., Ltd. *, the “Weifang Delixin”)		15,000,000.00		-87,944.95	
宿州新城金悦房地产开发有限公司 (Suzhou Xincheng Jinyue Real Estate Development Co., Ltd. *, the “Suzhou Xincheng Jinyue”)		9,800,000.00		-4,070,959.47	
常州市美科房地产发展有限公司 (Changzhou Meike Real Estate Development Co., Ltd. *, the “Changzhou Meike”)		401,310,000.00		-8,240,693.81	
泉州弘光房地产开发有限公司 (Quanzhou Hongguang Real Estate Development Co., Ltd. *, the “Quanzhou Hongguang”)		54,544,000.00		-521,488.54	
衡阳市鼎衡房地产开发有限公司 (Hengyang Dingheng Real Estate Development Co., Ltd. *, the “Hengyang Dingheng”)		249,459,550.16		-3,800,562.91	
巩义市碧欣置业有限公司 (Gongyi Bixin Real Estate Co., Ltd. *, the “Gongyi Bixin Real Estate”)		19,215,686.00		-766,102.78	
商丘新航置业有限公司 (Shangqiu Xinhang Real Estate Co., Ltd. *, the “Shangqiu Xinhang”)		6,600,000.00		-597,930.33	
安庆金世祥房地产开发有限公司 (Anqing Jinshixiang Real Estate Development Co., Ltd. *, the “Anqing Jinshixiang”)		33,000,000.00		-3,242,421.55	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
常州梁悦置业有限公司 (Changzhou Liangyue Property Co., Ltd. *, the “Changzhou Liangyue”)		196,000,000.00		-2,670,788.18	
巩义市金耀百世置业有限公司 (Gongyi Jinyao Baishi Real Estate Co., Ltd. *, the “Gongyi Jinyao Baishi”)		142,859,500.00		39.65	
邯郸荣凯房地产开发有限公司 (Handan Rongkai Real Estate Development Co., Ltd. *, the “Handan Rongkai”)		48,660,400.00		-2,170,144.97	
吉安金晨房地产开发有限公司 (Ji’an Jincheng Real Estate Development Co., Ltd. *, the “Ji’an Jincheng”)		100,000,000.00		-560,394.77	
兰溪中梁龙置业有限公司 (Lanxi Zhonglianglong Real Estate Co., Ltd. *, the “Lanxi Zhongliang”)		49,500,000.00		-2,928,552.50	
柳州同鑫房地产开发有限公司 (Liuzhou Tongxin Real Estate Development Co., Ltd. *, the “Liuzhou Tongxin”)		62,710,744.85		-915,360.85	
茂名市茂南区金晓房地产开发有限公司 (Maoming Maonan District Jinxiao Real Estate Development Co., Ltd. *, the “Maoming Jinxiao”)		320,000,000.00		-3,497,355.40	
南阳中梁城通置业有限公司 (Nanyang Zhongliang Chengtong Real Estate Co., Ltd. *)		147,982,000.00		-406,574.13	
陕西金恒瑞房地产开发有限公司 (Shaanxi Jinhengrui Real Estate Development Co., Ltd. *, the “Shaanxi Jinhengrui”)				37,899.73	
上饶市悦盛房地产开发有限公司 (Shangrao Yuesheng Real Estate Development Co., Ltd. *, the “Shangrao Yuesheng”)		9,800,000.00		-14,016,483.08	
杭州滨昕企业管理有限公司 (Hangzhou Binxin Enterprise Management Co., Ltd. *, the “Hangzhou Binxin”)		25,000.00		-474,626.00	
雅安海纳房地产开发有限公司 (Ya’an Haina Real Estate Development Co., Ltd. *, the “Ya’an Haina”)				-511,586.01	
雅安金宏房地产开发有限公司 (Ya’an Jinhong Real Estate Development Co., Ltd. *, the “Ya’an Jinhong”)				-268,319.48	
宜都交投金纬房地产开发有限公司 (Yidu Jiaotou Jinwei Real Estate Development Co., Ltd. *, the “Yidu Jiaotou Jinwei”)				-175,018.16	
镇江金弘房地产开发有限公司				-612,613.67	

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Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
(Zhenjiang Jinhong Real Estate Development Co., Ltd.* , the “Zhenjiang Jinhong”)					
重庆金永禾房地产开发有限公司 (Chongqing Jinyonghe Real Estate Development Co., Ltd.* , the “Chongqing Jinyonghe”)		98,000,000.00		-673,994.32	
重庆泰骏房地产开发有限公司 (Chongqing Taijun Real Estate Development Co., Ltd.* , the “Chongqing Taijun”)				-392,740.54	
重庆中梁永昇房地产开发有限公司 (Chongqing Zhongliang Yongsheng Real Estate Development Co., Ltd.* , the “Chongqing Zhongliang Yongsheng”)		48,620,000.00		-54,094.96	
华容碧城房地产开发有限公司 (Huarong Bicheng Real Estate Development Co., Ltd.* , the “Huarong Bicheng”)		5,333,000.00		-4,068,798.06	
聊城荣舜房地产开发有限公司 (Liaocheng Rongshun Real Estate Development Co., Ltd.* , the “Liaocheng Rongshun”)				-1,646,537.01	
泰安金旻华房地产开发有限公司 (Tai’an Jinyanghua Real Estate Development Co., Ltd.* , the “Tai’an Jinyanghua”)		82,830,000.00		-719,595.80	
温州市歌旻置业有限公司 (Wenzhou Geyang Real Estate Co., Ltd.* , the “Wenzhou Geyang”)		145,695,000.00		-4,249,506.92	
嘉兴锦峪贸易有限责任公司 (Jiaxing Jinyu Trading Co., Ltd.*)		735,000,000.00		-184,290.83	
临泉县嘉润房地产开发有限公司 (Linquan County Jiarun Real Estate Development Co., Ltd.* , the “Linquan Jiarun”)				-651,624.32	
沈阳新希望新裕置业有限公司 (Shenyang New Hope Xinyu Real Estate Co., Ltd.*)		268,000,000.00		760.69	
重庆金奕辉房地产开发有限公司 (Chongqing Jinyihui Real Estate Development Co., Ltd.* , the “Chongqing Jinyihui”)		193,890,000.00		-65,377.62	
重庆金悦汇房地产开发有限责任公司 (Chongqing Jinyuehui Real Estate Development Co., Ltd.* , the “Chongqing Jinyuehui”)		135,000,000.00		-2,240,153.04	
重庆科世金置业有限公司 (Chongqing Keshijin Real Estate Co., Ltd.* , the “Chongqing Keshijin”)		500,000.00		-123.75	
Subtotal	3,679,905,481.34	4,046,054,881.01		-145,574,019.91	
Total	7,367,746,288.64	6,109,414,172.35	47,847,033.89	184,599,961.90	7,813,153.67

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(Continued)

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
Joint ventures						
Chongqing Jinjiahe					1,092,753,221.90	
Chongqing Jinjiahai					-18,813,830.79	
Changzhou Jinke					10,314,702.36	
Jiashan Tianchen					735,401.19	
Jiashan Shengtai					-19,966,527.90	
Henan Guofengyuan [Note 1]						
Zhongshu Property					-74,389,979.05	
Shijiazhuang Jinke					42,771,438.11	
Shijiazhuang Tianyao					23,525,047.05	
Shijiazhuang Jinhui Yingxu Real Estate Development Co., Ltd.					199,121,586.08	
Shijiazhuang Jinhui Tianning Real Estate Development Co., Ltd.					83,608,306.67	
Shijiazhuang Jinhui					216,048,882.47	
Guokong Lancheng					256,731,505.08	
Chuangliang Investment					-840,310.48	
Chongqing Shengmu					523,713,276.81	
Chongqing Jinbihui					51,255,423.69	
Chongqing Bijinhui					20,633,678.80	
Chongqing Meike					96,705,605.46	
Chongqing Bijiyai					17,733,447.13	
Chongqing Jinmeibi					23,270,009.58	
Jiashan Shengcheng					517,298,606.79	
Chongqing Jinbimao					-5,279,075.75	
Chongqing Jinke Amber Agricultural Development Co., Ltd.					481,967.38	
Chongqing Jinxi Health					4,892,032.86	
Nanjing Yuhong					3,468,046.64	
Jinke Junzhi					9,653,881.73	
Fujian Hilton					65,193,657.22	
Chongqing Pinjinyue					18,984,557.44	
Taicang Zhuorun					126,783,927.11	
Hefei Bihe					9,296,159.30	
Xuchang Jinyao					20,263,649.69	
Luoyang Duli					14,896,325.26	
Chongqing Xilianjin					471,099.25	
Changzhou Baijun					-26,146,070.95	
Kunxiang Yutang					3,669,123.42	
Chongqing Xidao					3,766,005.46	

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
Nanning Yaoxin					4,912,943.28	
Chengdu Lingpao					-13,617,158.18	
Chongqing Jinjianglian					386,602,439.07	
Foshan Jinji					28,434,859.17	
Yunnan Chengding					4,054,202.89	
Yuanwei Consulting					23,341,112.44	
Chengkou Yinghong					10,259,314.84	
Chongqing Meichengjin					52,394,219.85	
Zhengzhou Xinyinke					340,920,679.26	
Hubei Jiaotou Hailu Jingyandi Real Estate Development Co., Ltd.					43,565,706.00	
Hailujing Suizhou					53,183,344.47	
Hubei Jiaotou Hailujing Bianzhong Real Estate Development Co., Ltd.					39,495,615.30	
Yulin Longhe					19,479,672.64	
Qingdao Hengmei					44,050,512.57	
Qingdao Shimao Boxi					27,737,908.34	
Chengdu Yizhi Xingyi					10,284,722.09	
Anyang Changjian					6,076,019.01	
Binzhou Baochi					-583,830.25	
Guangxi Shengcan					-59,036.45	
Guangxi Tangpeng					49,924,876.08	
Jinke Zhixin					470,801,131.92	
Jurong Ruihan [Note 2]					68,670,572.16	
Lanxi Hongke					3,589,820.72	
Shangrao Kesong					-34,490.34	
Yiwu Lianxiang					-1,279,902.71	
Dalian Hongkun [Note 2]					42,068,948.98	
Jinshang Baishi [Note 2]					55,299,808.54	
Hunan Jinke [Note 2]					756,765,554.98	
Qianshang Real Estate [Note 2]					55,578,758.24	
Luohe Changjian Ronglian					7,987,369.77	
Zhoukou Bitian					31,844,801.36	
Zhumadian Bisheng					43,632,989.20	
Hubei Jiaotou Jinke Property					159,587.04	
Suzhou Jinqiao					19,631,894.30	
Chongqing Jinnan Shengtang					7,302,749.18	
Chongqing Whistler					36,257,707.46	
Subtotal					6,041,340,200.23	
Associates						

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
Yinhai Lease					86,744,661.70	
Nanning Sunac					460,430,496.59	
Qianhai Botong					6,347,058.12	
Suzhou Tianchen					35,629,660.61	
Xinhaihui Property					253,380,486.26	
Jinke Yutai					34,739,497.69	
Wujiaqu Jinke					39,552,685.48	
Jinke Kuntai					38,309,798.88	
Hangzhou Jinyu					116,687,946.34	
Guangxi Qianxunlu					1,809,811.12	
Chengdu Shengbu					7,357,432.20	
Chengdu Zhenyu Trading Co., Ltd.					685,918,620.99	
Zunyi Meijun					238,717,179.30	
Shanghai Zhenmoli Real Estate Development Co., Ltd.					899,995,241.94	
Changshu Jinchen					377,228,402.14	
Jurong Jinjiarun					-96,779.42	
Nanning Jinhongsheng					11,312,583.21	
Tianjin Jiabo					58,498,903.64	
Jinke Jiefu					19,628,152.22	
Yunnan Jiaxun					85,159,153.54	
Yueyang Dingyue					105,845,137.03	
Changzhou Tianchen					4,904,100.18	
Hefei Chang'en					125,981,093.93	
Yunnan Jinhongya					101,871,874.45	
Changde Dingye					134,305,677.92	
Chongqing Aohang					136,236,644.01	
Weifang Delixin					14,912,055.05	
Suzhou Xincheng Jinyue					5,729,040.53	
Changzhou Meike					393,069,306.19	
Quanzhou Hongguang					54,022,511.46	
Hengyang Dingheng					245,658,987.25	
Gongyi Bixin Real Estate					18,449,583.22	
Shangqiu Xinhang					6,002,069.67	
Anqing Jinshixiang					29,757,578.45	
Changzhou Liangyue					193,329,211.82	
Gongyi Jinyao Baishi					142,859,539.65	
Handan Rongkai					46,490,255.03	
Ji'an Jinchen					99,439,605.23	
Lanxi Zhongliang					46,571,447.50	
Liuzhou Tongxin					61,795,384.00	

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
Maoming Jinxiao					316,502,644.60	
Nanyang Zhongliang Chengtong Real Estate Co., Ltd.					147,575,425.87	
Shaanxi Jinhengrui					37,899.73	
Shangrao Yuesheng					-4,216,483.08	
Hangzhou Binxin					-449,626.00	
Ya'an Haina					-511,586.01	
Ya'an Jinhong					-268,319.48	
Yidu Jiaotou Jinwei					-175,018.16	
Zhenjiang Jinhong					-612,613.67	
Chongqing Jinyonghe					97,326,005.68	
Chongqing Taijun					-392,740.54	
Chongqing Zhongliang Yongsheng					48,565,905.04	
Huarong Bicheng					1,264,201.94	
Liaocheng Rongshun					-1,646,537.01	
Tai'an Jinyanghua					82,110,404.20	
Wenzhou Geyang					141,445,493.08	
Jiaxing Jinyu Trading Co., Ltd.					734,815,709.17	
Linquan Jiarun					-651,624.32	
Shenyang New Hope Xinyu Real Estate Co., Ltd.					268,000,760.69	
Chongqing Jinyihui					193,824,622.38	
Chongqing Jinyuehui					132,759,846.96	
Chongqing Keshijin					499,876.25	
Subtotal					7,580,386,342.44	
Total					13,621,726,542.67	

Note 1: Due to acquisition of equity from former non-controlling shareholders, Henan Guofengyuan was transferred from a joint venture to a wholly-owned subsidiary of the Company.

Note 2: Pursuant to the relevant supplementary agreement, the Company lost absolute control over Qianshang Zhiye, Jinshang Baishi, Dalian Hongkun, Hunan Jinke and Jurong Ruihan, and held joint control instead.

(3) Other remarks

As the subscribed registered capital of the associates and joint ventures hasn't been paid or paid in full, and the unrealized revenue of the associates and joint ventures suffers staged loss on pre-project, the balance of long-term equity investments is temporarily negative under equity method.

12. Other equity instrument investments

(1) Details

Items	Closing balance	Opening balance [Note]	Dividend income	Accumulated amount of gains or losses transferred from other comprehensive income to retained earnings	
				Amount	Reasons
渝商投资集团股份有限公司 (USUM Investment Group Co., Ltd.*)	115,456,732.98	115,456,732.98			
重庆科瑞制药 (集团) 有限公司 (Chongqing Kerui Pharmaceutical (Group) Co., Ltd.*)		41,993,280.00			
Total	115,456,732.98	157,450,012.98			

Note: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

(2) Reasons for equity instrument investments designated as at fair value through other comprehensive income

The Company's equity investments in USUM Investment Group Co., Ltd. and Chongqing Kerui Pharmaceutical (Group) Co., Ltd. are non-trading equity instrument investments, therefore, the Company designated them as equity instrument investments at fair value through other comprehensive income.

13. Investment property

(1) Details

Items	Buildings and structures	Construction in progress	Total
Opening balance	3,226,508,600.00	388,207,100.00	3,614,715,700.00
Movement			
Add: Acquisition			
Transferred in from inventories [Note]	2,306,359,700.00	2,307,155,266.43	4,613,514,966.43
Business combination			
Less: Disposal			
Other transfer-out			
Changes in fair value	51,358,000.00	44,515,271.19	95,873,271.19
Closing balance	5,584,226,300.00	2,739,877,637.62	8,324,103,937.62

Note: The difference between the fair value and the carrying amount of the investment property on

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the conversion date totaled 1,479,798,066.43 yuan, and the amount after deducting the deferred income tax liabilities was recognized as other comprehensive income.

Fair value of investment property newly added has been appraised by 重庆华康资产评估土地房地产估价有限公司 (Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd.*), and the Assets Valuation Report on the Fair Value of Investment Property of Jinke Property Group Co., Ltd. (Chong Kang Ping Xie Zi (2019) No. 218) was issued thereon.

(2) Investment property with subsequent measurement at the fair value model

Items	Fair value at the beginning of the period	Increase of investment property	Changes of fair value	Decrease of investment property	Fair value at the end of the period
Jinke Tianchenhui apartment and commercial houses		1,898,751,900.00	-24,413,000.00		1,874,338,900.00
Nanmenshan Pedestrian Street Project (Jinke World Corridor)	1,547,158,700.00		29,743,300.00		1,576,902,000.00
Jinke Meilinhui commercial building No.2	1,241,532,600.00		64,588,300.00		1,306,120,900.00
Jinke Binjiang Center commercial houses		391,800,400.00	48,873,515.97		440,673,915.97
Blue Ocean Pilot commercial apartment and office houses		429,346,700.00	5,630,200.00		434,976,900.00
Hangzhou Bocui House building No.12	388,207,100.00	19,964,600.00	-29,553,900.00		378,617,800.00
Jinke Times Center commercial house		365,963,748.83			365,963,748.83
Liangjiang Health Science and Technology City		279,163,000.00			279,163,000.00
Jinke Jimei Tianchen commercial houses		254,774,500.00	-9,209,000.00		245,565,500.00
Jinke Linyu River commercial houses		222,059,900.00	22,753,116.22		244,813,016.22
Other projects	437,817,300.00	751,690,217.60	-12,539,261.00		1,176,968,256.60
Total	3,614,715,700.00	4,613,514,966.43	95,873,271.19		8,324,103,937.62

(Continued)

Items	Location	Construction area	Rental income in current period
Jinke Tianchenhui apartment and commercial houses	Yongwang Road, Daxing District, Beijing	44,508.10	2,881,291.14
Nanmenshan Pedestrian Street Project (Jinke World Corridor)	No.6, Zhongshan Road, Fuling District, Chongqing	94,089.73	737,635.51
Jinke Meilinhui commercial building No.2	Land No. 028-10, Standard Zone 0, Dazhulin Group	47,318.75	12,010,409.88
Jinke Binjiang Center commercial houses	No.270 Xijiang Avenue, Shengquan Street, Jiangjin District, Chongqing	45,356.68	[Note]
Blue Ocean Pilot commercial apartment and office houses	West of Nobel City, Shengjing Street, Zhangqiu District, Jinan City	82,467.56	[Note]
Hangzhou Bocui House building No.12	Building 12#, Land A-R21-12, Canal New City, Hangzhou	12,732.64	[Note]
Jinke Times Center commercial house	No.1 Longyun Road, Liangjiang New District, Chongqing	23,835.90	[Note]
Liangjiang Health Science and Technology City	No.8 Yuefu Avenue, Beibei District, Chongqing	39,146.41	[Note]
Jinke Jimei Tianchen	No.600 Tiancheng Avenue, Economic	25,244.03	[Note]

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Items	Location	Construction area	Rental income in current period
commercial houses	Development Zone, Neijiang City		
Jinke Linyu River commercial houses	Beside Longnaoshan Bus Station, Liangjiang Avenue, North Chongqing	20,800.19	[Note]
Other projects		151,535.61	5,790,702.14
Total		587,035.60	21,420,038.67

Note: The projects are not completed.

(3) Investment property with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Xicheng Courtyard B1	51,966,700.00	In processing
Jinke Guantianxia business area	128,444,800.00	In processing
Liangjiang Health Science and Technology City	43,584,872.65	In processing
Subtotal	223,996,372.65	

(4) Other remarks

Fair value of the Company's self-held investment property at the end of the period has been appraised by Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd., and Assets Valuation Reports on the Fair Value of Investment Property of Jinke Property Group Co., Ltd. (numbered Chong Kang Ping Bao Zi (2020) No. 11 and Chong Kang Ping Bao Zi (2020) No. 28) were issued thereon.

14. Fixed assets

(1) Details

Items	Buildings and structures	Machinery	Electronic equipment	Transport facilities	Household appliances
Cost					
Opening balance	1,134,864,958.67	36,164,453.95	152,811,156.23	77,621,582.74	41,243,584.38
Increase	681,786,874.04	7,668,395.39	32,792,534.40	32,091,923.45	3,349,274.71
1) Acquisition	1,750,819.99	7,668,395.39	31,676,557.21	22,317,776.06	2,220,362.25
2) Transferred in from construction in progress					
3) Business combination			1,115,977.19	9,774,147.39	1,128,912.46
4) Transferred in from inventories	680,036,054.05				
Decrease		1,737,301.46	9,398,020.75	6,328,222.15	1,697,214.00
1) Disposal/ Scrapping		1,728,997.15	8,879,519.62	6,015,385.94	1,371,348.07
2) Loss of control		8,304.31	518,501.13	312,836.21	325,865.93
Closing balance	1,816,651,832.71	42,095,547.88	176,205,669.88	103,385,284.04	42,895,645.09

Items	Buildings and structures	Machinery	Electronic equipment	Transport facilities	Household appliances
Accumulated depreciation					
Opening balance	135,522,074.24	14,970,499.56	79,057,602.53	45,680,447.73	24,435,542.30
Increase	37,820,500.19	3,274,647.90	25,231,513.89	17,676,946.92	6,674,801.86
1) Accrual	37,820,500.19	3,274,647.90	24,474,410.75	13,042,847.32	5,996,719.70
2) Business combination			757,103.14	4,634,099.60	678,082.16
Decrease		787,354.47	6,814,572.91	5,434,667.13	1,031,642.56
1) Disposal/ Scrapping		784,987.83	6,708,280.94	5,419,807.41	975,316.73
2) Loss of control		2,366.64	106,291.97	14,859.72	56,325.83
Closing balance	173,342,574.43	17,457,792.99	97,474,543.51	57,922,727.52	30,078,701.60
Carrying amount					
Closing balance	1,643,309,258.28	24,637,754.89	78,731,126.37	45,462,556.52	12,816,943.49
Opening balance	999,342,884.43	21,193,954.39	73,753,553.70	31,941,135.01	16,808,042.08

(Continued)

Items	Housing and building decoration	Power generation and related equipment	Other equipment	Total
Cost				
Opening balance	348,371,170.69	1,325,992,033.11	59,904,161.46	3,176,973,101.23
Increase	778,943.61	1,520,361,848.66	5,060,622.08	2,283,890,416.34
1) Acquisition	778,943.61	700,386.59	5,041,881.82	72,155,122.92
2) Transferred in from construction in progress		1,519,661,462.07		1,519,661,462.07
3) Business combination			18,740.26	12,037,777.30
4) Transferred in from inventories				680,036,054.05
Decrease	184,287.59		2,512,410.15	21,857,456.10
1) Disposal/Scrapping	184,287.59		2,512,410.15	20,691,948.52
2) Loss of control				1,165,507.58
Closing balance	348,965,826.71	2,846,353,881.77	62,452,373.39	5,439,006,061.47
Accumulated depreciation				
Opening balance	227,609,936.78	239,417,022.71	36,773,380.26	803,466,506.11
Increase	59,837,590.52	114,310,947.61	8,956,899.73	273,783,848.62
1) Accrual	59,837,590.52	114,310,947.61	8,950,948.83	267,708,612.82
2) Business combination			5,950.90	6,075,235.80
Decrease	175,563.81		2,065,455.76	16,309,256.64
1) Disposal/Scrapping	175,563.81		2,065,455.76	16,129,412.48
2) Loss of control				179,844.16

Items	Housing and building decoration	Power generation and related equipment	Other equipment	Total
Closing balance	287,271,963.49	353,727,970.32	43,664,824.23	1,060,941,098.09
Carrying amount				
Closing balance	61,693,863.22	2,492,625,911.45	18,787,549.16	4,378,064,963.38
Opening balance	120,761,233.91	1,086,575,010.40	23,130,781.20	2,373,506,595.12

(2) Fixed assets leased under finance leases

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Power generation and related equipment	806,587,687.16	121,566,353.27		685,021,333.89
Subtotal	806,587,687.16	121,566,353.27		685,021,333.89

(3) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	174,907,843.55	In processing
Subtotal	174,907,843.55	

15. Construction in progress

(1) Details

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
The Jingxia No. 2 C Area Wind Farm Project of 200 MW				1,452,268,673.18		1,452,268,673.18
Piecemeal projects	247,179.49		247,179.49	484,032.45		484,032.45
Total	247,179.49		247,179.49	1,452,752,705.63		1,452,752,705.63

(2) Changes in significant projects

Projects	Budgets	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance
The Jingxia No. 2 C Area Wind Farm Project of 200 MW	1.56 billion	1,452,268,673.18	67,392,788.89	1,519,661,462.07		
Subtotal		1,452,268,673.18	67,392,788.89	1,519,661,462.07		

(Continued)

Projects	Accumulated investment to budget (%)	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Amount of borrowing cost capitalization in current period	Annual capitalization rate (%)	Fund source
The Jingxia No. 2 C Area Wind Farm Project of 200 MW	97.41	100.00	132,631,730.12	17,310,199.27	5.14	Self-raised, raised fund, and borrowings
Subtotal			132,631,730.12	17,310,199.27		

16. Intangible assets

(1) Details

Items	Land use right	Software	Trademark right	Total
Cost				
Opening balance	44,509,514.22	49,448,173.44	11,505,155.78	105,462,843.44
Increase	13,914,045.29	10,561,005.85	11,669.90	24,486,721.04
1) Acquisition	13,914,045.29	10,151,122.36	11,669.90	24,076,837.55
2) Business combination		409,883.49		409,883.49
Decrease		806,189.15	5,834.95	812,024.10
1) Disposal		806,189.15	5,834.95	812,024.10
Closing balance	58,423,559.51	59,202,990.14	11,510,990.73	129,137,540.38
Accumulated amortization				
Opening balance	5,861,116.43	34,053,546.87	1,379,533.07	41,294,196.37
Increase	1,443,476.88	7,341,437.31	3,823,125.25	12,608,039.44
1) Accrual	1,443,476.88	7,271,997.17	3,823,125.25	12,538,599.30
2) Business combination		69,440.14		69,440.14
Decrease		527,622.16	729.36	528,351.52
1) Disposal		527,622.16	729.36	528,351.52
Closing balance	7,304,593.31	40,867,362.02	5,201,928.96	53,373,884.29
Carrying amount				
Closing balance	51,118,966.20	18,335,628.12	6,309,061.77	75,763,656.09
Opening balance	38,648,397.79	15,394,626.57	10,125,622.71	64,168,647.07

(2) Land use right with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
The Jingxia No. 2 C Area Wind Farm Project of 200 MW	13,598,651.11	In processing
Subtotal	13,598,651.11	

17. Goodwill

(1) Cost

Investee or events resulting in goodwill	Opening balance	Due to business combination in current period	Decrease		Closing balance
			Disposal	Others	
重庆庆恒商贸有限公司 (Chongqing Qingheng Trading Co., Ltd.*)	98,151.81				98,151.81
Qingke Trading	30,000.00				30,000.00
重庆新起点装饰工程有限公司 (Chongqing New Start	859,680.06				859,680.06

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Investee or events resulting in goodwill	Opening balance	Due to business combination in current period	Decrease		Closing balance
			Disposal	Others	
Decoration Engineering Co., Ltd. *, the “New Start Decoration”)					
重庆展弘园林有限公司 (Chongqing Zhanhong Garden Co., Ltd. *)	2,525,698.65				2,525,698.65
重庆源昊装饰工程有限公司 (Chongqing Yuanhao Decoration Engineering Co., Ltd. *)	113,488.03				113,488.03
Xinjiang Huaran	483,776,339.06				483,776,339.06
德宏华江物业有限公司 (Dehong Huajiang Property Co., Ltd. *)	418.20				418.20
重庆市顺盛诚勋物业管理有 限公司 (Chongqing Shunsheng Chengxun Property Management Co., Ltd. *)	678,342.72				678,342.72
Total	488,082,118.53				488,082,118.53

(2) Provision for impairment

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Disposal	Others	
Chongqing Qingheng Trading Co., Ltd.	98,151.81					98,151.81
Qingke Trading	30,000.00					30,000.00
Subtotal	128,151.81					128,151.81

(3) Impairment test process

New energy power generation asset group portfolios of Xinjiang Huaran:

1) Related information of asset group or asset group portfolios which include goodwill

Composition of asset group or asset group portfolios	New energy power generation assets and receivables arising from asset operations
Carrying amount of asset group or asset group portfolios	1,091,896,600 yuan
Carrying amount of goodwill allocated to the asset group or asset group portfolios and the allocation method	Allocated by carrying amount
Carrying amount of asset group or asset group portfolios that include goodwill	1,593,167,300 yuan
Whether asset group or asset group portfolios are consistent with those at acquisition date or goodwill impairment test in previous years	Yes

2) Impairment test process, method, and conclusion of goodwill impairment loss

The recoverable amount of goodwill is computed based on the present value of estimated future cash flows, which is based on the estimated cash flows for 5 years approved by the Company. The

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discount rate used in estimating the annual cash flows is 10.29% (2018: 10.59%), and the cash flows subsequent to the estimated period are inferred by a growth rate of 2%, which is in line with the development trend of the wind power industry, such as overall planning, wind power consumption, and abandonment rate control.

Other key data used in the impairment test include: the estimated selling price, sales volume, cost of product, and other relevant expenses. Such key data are determined by the Company based on its experience and its prediction towards market development. The discount rate used by the Company is the pre-tax interest rate that reveals the time value of currency under the current market situation and risks of certain assets portfolio.

Pursuant to the Evaluation Report on the Present Value of Estimated Future Cash Flows of the Goodwill Asset Group of Jinke Property Group Co., Ltd. for Financial Report Purpose (Chong Kang Ping Bao Zi (2020) No. 16) issued by Chongqing Huakang Assets Appraisal and Land Real Estate Appraisal Co., Ltd., the recoverable amount of asset group or asset group portfolios that include goodwill is higher than its carrying amount, which suggests that the Company's goodwill is not impaired.

The Company and the assessment agency estimate the recoverable amount of the new energy power generation asset group, and the goodwill associated with the asset group is not impaired.

18. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decreases	Closing balance
Decoration fees [Note]	64,436,283.73	93,149,764.84	65,053,529.67		92,532,518.90
Total	64,436,283.73	93,149,764.84	65,053,529.67		92,532,518.90

Note: It mainly refers to decoration cost of the rental offices of the Company and its subsidiaries.

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for assets impairment	222,045,582.37	47,543,159.15	168,043,867.84	36,546,023.04
Deductible losses	3,555,470,559.44	866,088,529.71	2,469,537,800.11	609,121,951.93
Unrealized profit from internal transactions	645,546,205.96	161,386,551.49	366,167,657.60	91,541,914.40
Amortization of land premium			372,934,999.72	93,233,749.93
Others	2,599,902,886.21	546,754,053.24	2,588,939,964.70	512,198,985.95

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Total	7,022,965,233.98	1,621,772,293.59	5,965,624,289.97	1,342,642,625.25

(2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Investment property at fair value	3,753,198,697.57	910,273,409.66	2,203,412,197.66	466,194,045.12
Others			5,776,560.06	985,355.41
Total	3,753,198,697.57	910,273,409.66	2,209,188,757.72	467,179,400.53

(3) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Provision for assets impairment	1,256,843,734.51	272,570,252.27
Deductible losses	2,026,670,818.79	1,925,422,451.53
Provision for impairment of goodwill	128,151.81	128,151.81
Others	1,816,275,546.55	1,084,773,613.43
Total	5,099,918,251.66	3,282,894,469.04

(4) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2019		45,845,373.32	
Year 2020	115,964,221.42	286,100,443.80	
Year 2021	264,363,167.76	415,304,810.62	
Year 2022	407,452,517.25	625,700,288.45	
Year 2023	624,025,353.30	552,471,535.34	
Year 2024	614,865,559.06		
Total	2,026,670,818.79	1,925,422,451.53	

(5) Other remarks

The item "Others" in the detailed list of deferred income tax assets before offset and unrecognized deferred income tax assets mainly includes temporary difference items such as deductible cost, expenses, unpaid taxes, deferred income, etc.

20. Other non-current assets

(1) Details

Items	Closing balance	Opening balance
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Items	Closing balance	Opening balance
Prepayments for equity acquisition	1,442,119,127.29	116,000,000.00
Total	1,442,119,127.29	116,000,000.00

(2) Significant prepayments for equity acquisition at the end of the period

Pursuant to the “Equity Transfer Agreement” entered into between the Company and 安邦保险集团股份有限公司 (Anbang Insurance Group Co., Ltd.*) and 安邦财产保险股份有限公司 (Anbang Property & Casualty Insurance Co., Ltd.*), the Company intended to acquire 9.90% equity of 和谐健康保险股份有限公司 (Hexie Health Insurance Co., Ltd.*) at the consideration of 2,257,200,000 yuan. As of December 31, 2019, the Company had made the first payment of 1,128,600,000 yuan according to the agreement.

21. Short-term borrowings

Items	Closing balance	Opening balance [Note]
Credit borrowings	1,035,521.17	59,200,000.00
Guaranteed borrowings	600,000,000.00	7,000,000.00
Pledged borrowings	206,900,000.00	446,200,000.00
Mortgaged and guaranteed borrowings	1,771,980,000.00	1,873,400,000.00
Pledged and guaranteed borrowings		159,000,000.00
Mortgaged, pledged and guaranteed borrowings	469,000,000.00	651,400,000.00
Accrued interest on borrowings [Note]	11,338,456.10	19,551,629.97
Total	3,060,253,977.27	3,215,751,629.97

Note: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

22. Notes payable

Items	Closing balance	Opening balance
Bank acceptance	217,711,128.98	23,452,060.07
Trade acceptance	7,284,616,553.08	2,636,523,408.57
Total	7,502,327,682.06	2,659,975,468.64

23. Accounts payable

Items	Closing balance	Opening balance
Project funds payable	20,961,794,961.18	12,273,801,412.35
Materials and equipment payable	2,586,705,645.94	1,407,439,645.20

* The English names are for identification purpose only.

Items	Closing balance	Opening balance
Total	23,548,500,607.12	13,681,241,057.55

24. Advances received

(1) Details

Items	Closing balance	Opening balance
Advanced receipt for houses	114,153,920,344.81	75,963,581,497.54
Others	540,035,444.24	312,113,817.79
Total	114,693,955,789.05	76,275,695,315.33

(2) Other remarks

Details on advanced receipt for houses:

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Beijing Guanling Homestead	1,102,099,119.92	78,384,309.09	October 2021	79.48%
Chengdu Jinke Bocui House	944,023,355.85		November 2020	70.22%
Chengdu Jinke Bocui Linhu	861,676,755.68	329,648,633.93	July 2020	93.24%
Chengdu Jinke Bocui Tianchen	1,814,269,910.15	920,949,574.80	April 2020	74.76%
Fengdu Jinke Golden Coast	456,477,878.43	504,656,796.05	July 2020	87.14%
Foshan Jinke Bocui World	420,958,606.75		August 2020	64.96%
Foshan Jinke Meiwan Garden	309,471,792.85		January 2021	77.44%
Foshan Jinke Tianchenwan Mansion	429,082,275.34	104,160.00	September 2020	65.74%
Ganzhou Jinke Jimei Mansion	371,027,123.73	65,250,453.91	November 2020	62.34%
Guang'an Jinke Jimei Tianchen	641,730,868.77		September 2021	81.20%
Guanghan Jinke Jimei Shui'an	402,044,565.96	9,366,338.18	December 2020	56.60%
Guangzhou Jinke Bocui Pearl	322,326,010.59		April 2021	67.55%
Guiyang Longli Orient II	975,228,347.88		October 2020	93.64%
Guizhou Longli Orient I	456,972,460.73	323,746,826.67	January 2020	96.90%
Guizhou Renhuai Luming East	648,473,713.34	37,635,000.00	December 2020	98.08%
Hangzhou Bocui House	1,552,329,766.29		October 2020	73.39%
Hangzhou Jinke Taidu	1,509,483,333.28		January 2022	60.52%
Hangzhou Qiantang Bocui	578,359,113.73		June 2022	35.82%
Hechuan Jimei Jiangshan	560,264,999.47		August 2020	58.21%
Hefei Peninsula No.1	715,023,703.95	758,908,443.55	July 2020	95.23%
Hefei Duhui Daguan	373,540,934.95	31,434,740.07	June 2020	47.91%
Hefei Haiyue Oriental Garden	474,745,325.26	694,109,061.19	July 2020	82.17%
Hefei Meike Mansion	456,247,154.14		July 2021	63.75%
Hefei Tianchen Garden	2,296,293,615.05	684,202,189.83	March 2020	85.44%
Jinan Jinke World City	1,437,808,920.00	423,861,361.22	April 2021	91.64%
Jinan Lanshan Mansion	766,656,908.33	1,457,085,031.11	April 2020	99.53%
Jinan Jinke Yuanshan Building	729,424,155.59	445,857,124.44	April 2020	86.72%
Kunming Jimei Yuxi	858,583,972.81		March 2022	65.34%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Stars/Tianxi				
Liuzhou Jinke Jimei Tianyue	481,104,921.47	118,357,817.35	May 2020	68.05%
Liuzhou Jinke Tianchen	851,335,446.66	1,673,656,056.72	March 2020	99.74%
Luzhou Jinke Bocui Bay	1,215,293,173.74	1,258,807,561.61	August 2020	68.46%
Luzhou Jinke Jimei Tianchen	430,833,777.54	32,575,194.20	June 2020	58.22%
Luoyang Jinke Lyudu Tianchen	1,526,415,374.69		December 2021	96.01%
Nanchang Jinke Jimei Jiulong Lake	555,135,284.53		November 2021	63.09%
Nanchang Jinke Jimei Sunshine	1,167,162,180.90	549,989,386.27	July 2021	91.58%
Nanchong Jimei Tianchen	323,398,514.77	570,589,824.10	January 2020	80.20%
Nanning Jinke Guantianxia	2,044,008,543.26	1,483,405,183.25	January 2021	95.86%
Nanyang Jinke Jimei Sunny Oasis	1,113,803,946.60		September 2021	99.56%
Neijaing Park Palace	939,823,601.60	1,611,636,303.44	February 2020	91.07%
Neijaing Jimei Tianchen	449,865,128.81	32,204,207.92	September 2020	89.82%
Neijiang Times Center	532,867,523.33	636,370,204.08	March 2020	97.17%
Panzhuhua Jinke Jimei Sunshine	354,796,072.40	26,372,345.44	February 2020	64.43%
Qingdao Jinke Sunshine Beauty Town	1,367,189,432.51	1,432,319,942.59	March 2020	88.68%
Shanxi Bocui Tianchen	1,194,517,638.91		March 2021	80.53%
Shaoxing Jinke Hangyue House	337,578,792.53		March 2022	70.52%
Shenyang Jimei Tiancheng	1,365,311,107.27	23,073,901.02	October 2020	78.21%
Suzhou Qiantang Pingjiang	2,351,355,273.83	54,634,120.08	September 2020	65.68%
Suzhou Four Seasons Spring	1,575,076,297.36		December 2021	89.69%
Suzhou Yuanjiang Building	944,760,726.30	49,978,260.22	September 2020	70.84%
Suining Jimei Jiayue	387,188,139.50		July 2021	79.14%
Tai'an Peach Blossoms Utopia	816,320,599.39	595,810,971.28	June 2020	94.62%
Tangshan Jinke Jimei County	793,367,569.05	83,212,030.85	November 2020	93.48%
Tianjin Jimei Yongyang	638,695,790.75		September 2021	93.13%
Tianjin Guanlan	1,275,997,134.25	162,425,398.00	December 2021	84.16%
Tianjin Jinke Bocui Bay	1,606,593,156.65	480,722,003.24	October 2021	85.77%
Tianjin Jinke Tianhu (Nanyuan)	374,095,448.56		April 2021	43.80%
Chongqing Tonglaing Jimei Oriental B11	1,067,643,390.65		July 2020	85.55%
Wuxi (Changzhou) Henglu Family	893,794,086.07		April 2021	91.29%
Wuxi Wealth Commercial Square	387,130,762.95	265,001.16	August 2021	99.67%
Wuxi Jinji Meizhu	497,198,053.61		March 2021	92.37%
Wuxi Lihu No.1 III	3,110,514,362.60	1,222,957,206.08	March 2020	98.51%
Wuhan Jinke City	7,973,928,068.91	3,925,472,021.28	June 2020	80.96%
Xianyang Jinke World City	2,918,636,122.54	1,561,324,884.51	August 2020	94.65%
Xuchang Furong Tianchen	300,661,976.50	12,874,087.40	November 2021	100.00%
Yantai Bocuishan	370,999,960.98		December 2020	89.85%
Yibin Jimei Tianchen	448,579,954.64		November 2020	73.72%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Yongchuan Jinke Jimei Tianchen	891,191,047.28	722,220,020.00	March 2020	91.20%
Yunyang Jimei Jiangyue I, II	423,583,383.36	23,906,223.20	March 2020	78.65%
Yunyang Jinke World City	793,787,261.22	707,332,269.42	August 2020	93.79%
Changsha Jinke Times Center	599,664,261.67	517,003,375.51	May 2020	88.84%
Changshou Jinke World City	635,286,141.03	1,029,033,003.60	July 2021	85.52%
Chongqing Bocui Changjiang	1,061,945,714.77	500,088,934.60	March 2020	70.93%
Chongqing Jimei Jinwan	540,962,443.19	105,342,317.31	March 2020	89.53%
Chongqing Jinke Bingjiang Center	465,732,001.67		March 2020	90.13%
Chongqing Jinke City	896,151,164.57	1,179,759,615.69	January 2020	90.63%
Chongqing Jinke Jimei Sunshine	2,141,105,570.79	1,214,222,077.04	October 2020	99.08%
Chongqing Jinke Langting Yazhu	527,274,306.78		April 2020	80.36%
Chongqing Jinke Times Center	552,312,886.66	210,549,735.70	January 2021	99.75%
Chongqing Jinke Tianyuan Road (Phase I)	300,821,708.33	1,066,988,440.41	March 2020	87.47%
Chongqing Yulin River	441,923,193.17	1,058,763,069.52	May 2021	82.95%
Chongqing Langyue Jiangshan	1,415,938,827.56	141,167,968.06	August 2021	85.73%
Chongqing Tianyi House	833,978,994.73	110,509,190.18	September 2020	85.33%
Chongqing Wushan Jinke City	653,189,421.16	496,142,713.73	June 2020	89.32%
Chongqing Xiyong Tianchen II	915,750,912.44	2,215,937,626.69	January 2020	99.84%
Chongqing Xiyong Tianchen I	1,160,559,379.93	1,046,790,694.44	May 2020	98.94%
Chongqing Beibei Jimei Jiayue M01	2,266,482,229.49	30,534,941.82	June 2020	77.32%
Chongqing Beibei Jimei Jiayue M07/M08	572,728,152.25	2,365,226,848.20	February 2020	91.28%
Chongqing Bishan Bocui Tianyue	392,963,893.72	450,113,996.81	March 2020	99.75%
Chongqing Dazu Jimei Jiangshan	441,713,347.68		November 2020	72.48%
Chongqing Dianjiang Jimei Peony Lake	554,757,499.95		March 2021	78.26%
Chongqing Fengjie Jimei Riverside	1,016,894,056.05		August 2021	86.88%
Chongqing Fulin Jinke Bocui House Project	591,192,236.13		September 2020	70.28%
Zhongxian Jinke Jimei Jiangshan	398,683,985.54	110,532,116.66	February 2021	79.65%
Chongqing Jiangjin Jimei County	925,469,882.51	862,477,589.67	March 2020	99.07%
Chongqing Kaixian Yuehu Mingmen	415,091,959.27		September 2020	96.47%
Chongqing Kaixian Yongjingtai	967,480,747.09		November 2020	94.58%
Chongqing Nanchuan Jinke World City (Phase III)	796,692,528.88	564,045,389.67	February 2020	62.44%
Chongqing Qijiang Yujing Jiangwan	468,724,587.15	11,917,332.73	December 2020	68.78%
Chongqing Rongchang Liyue Oriental	1,411,719,709.09	665,000.00	September 2020	79.54%
Chongqing Wanzhou Jinke Guanlan	667,526,571.15	683,230,875.41	January 2020	92.67%
Chongqing Yongchaun Tianyue House	318,001,667.81	457,682,261.62	March 2020	94.57%

Project name	Closing balance	Opening balance	Expected completion time [Note 1]	Presale ratio [Note 2]
Zhuzhou Jimei County	376,826,812.45	2,439,338.19	April 2020	64.60%
Zibo Jinke Jimei Jiayue	1,235,955,036.42	1,076,823,480.21	May 2020	98.94%
Zibo Jinke Jimei County	711,289,417.79	135,895,561.27	July 2020	99.82%
Zibo Jinke Jimei Tianchen	442,373,917.56		November 2020	78.15%
Zunyi Jinke Jimei Hanlin House	436,993,684.13	107,717,342.87	September 2020	70.02%
Zunyi Jinke Jimei Tianchen	579,542,947.63	788,322,963.38	April 2020	99.67%
Others [Note 3]	15,466,054,829.33	31,605,965,227.80		
Subtotal	114,153,920,344.81	75,963,581,497.54		

Note 1: If the project is developed and delivered by installments, the expected completion time refers to one of the completion time closest to the balance sheet date.

Note 2: The presale ratio of the project is the ratio of the cumulative area sold as of the balance sheet date to the area of the presale certificate.

Note 3: Due to the large quantity of the Company's development projects, some projects are summarized and disclosed according to their importance.

25. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	702,961,153.04	5,327,318,975.89	5,354,274,093.07	676,006,035.86
Post-employment benefits - defined contribution plan	2,364,048.10	269,136,383.22	270,470,574.73	1,029,856.59
Total	705,325,201.14	5,596,455,359.11	5,624,744,667.80	677,035,892.45

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	639,000,314.48	4,666,491,340.81	4,690,789,858.53	614,701,796.76
Employee welfare fund		126,889,816.22	126,889,816.22	
Social insurance premium	742,316.74	167,615,020.52	167,971,889.79	385,447.47
Including: Medicare premium	714,624.36	150,847,661.56	151,207,580.93	354,704.99
Occupational injuries premium	17,706.80	9,663,095.36	9,656,473.51	24,328.65
Maternity premium	9,985.58	7,104,263.60	7,107,835.35	6,413.83
Housing provident fund	3,202,753.75	169,833,305.12	172,249,196.25	786,862.62
Trade union fund and employee education fund	60,015,768.07	183,940,802.16	183,824,641.22	60,131,929.01
Termination benefit		12,548,691.06	12,548,691.06	
Subtotal	702,961,153.04	5,327,318,975.89	5,354,274,093.07	676,006,035.86

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	2,239,021.19	260,310,143.68	261,544,610.10	1,004,554.77
Unemployment insurance premium	125,026.91	8,826,239.54	8,925,964.63	25,301.82
Subtotal	2,364,048.10	269,136,383.22	270,470,574.73	1,029,856.59

26. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	876,313,067.92	645,177,007.11
Urban maintenance and construction tax	57,993,297.90	43,053,778.93
Education surcharge	26,148,668.47	19,226,115.23
Local education surcharge	16,915,181.55	12,748,811.05
Land appreciation tax	408,416,369.26	378,745,510.75
Enterprise income tax	2,877,581,309.35	2,077,947,694.77
Individual income tax withheld for tax authorities	44,435,348.98	56,319,136.15
Housing property tax	4,010,726.65	2,756,487.99
Land use tax	10,610,490.84	8,260,224.84
Others	19,896,593.95	7,362,245.15
Total	4,342,321,054.87	3,251,597,011.97

27. Other payables

(1) Details

Items	Closing balance	Opening balance [Note]
Interest payable [Note]		
Dividend payable	4,716,763.74	31,724,941.64
Other payables	17,426,802,638.79	12,621,367,731.22
Subtotal	17,431,519,402.53	12,653,092,672.86

Note: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

(2) Dividend payable

Items	Closing balance	Opening balance
Dividend on ordinary shares	4,716,763.74	4,808,275.64
Dividend due to holders of other equity instruments		26,916,666.00
Subtotal	4,716,763.74	31,724,941.64

(3) Other payables

1) Details

Items	Closing balance	Opening balance
Project cooperation funds [Note]	3,860,336,359.47	4,612,794,876.19
Deposits	3,119,558,232.26	1,358,932,998.11
Equity transfer payments	497,431,510.00	403,843,341.98
Call loans	155,124,166.66	150,000,000.00
Temporary receipts payable	5,241,533,501.92	2,780,100,120.84
Funds collected and paid on behalf of clients	592,809,960.66	954,647,216.94
Liquidation reserve for land appreciation tax	2,188,299,300.23	831,287,086.46
Others	1,771,709,607.59	1,529,762,090.70
Total	17,426,802,638.79	12,621,367,731.22

Note: It is the project operating current accounts received by holding subsidiaries from non-controlling shareholders.

2) Significant other payables with age over one year

Items	Amount unpaid	Reasons for being unpaid
北京碧桂园阳光置业发展有限公司 (Beijing Country Garden Sunshine Real Estate Development Co., Ltd.*)	246,759,802.17	The project hasn't been settled
Guangxi Qianxunlu	215,600,000.00	The project hasn't been settled
Nanning Sunac	210,210,000.00	The project hasn't been settled
重庆益欣房地产开发有限公司 (Chongqing Yixin Real Estate Development Co., Ltd.*)	193,524,536.27	The project hasn't been settled
Chongqing Shengmu	111,655,818.25	The project hasn't been settled
Subtotal	977,750,156.69	

28. Non-current liabilities due within one year

Items	Closing balance	Opening balance [Note 2]
Long-term borrowings due within one year	23,789,597,164.90	19,989,981,966.67
Bonds payable due within one year	4,652,824,197.29	4,336,363,106.04
Long-term payables due within one year	161,532,943.39	
Restricted share repurchase obligation [Note 1]	100,085,325.00	116,970,175.00
Accrued interest due within one year [Note 2]	1,005,439,111.46	739,512,403.03

* The English names are for identification purpose only.

Items	Closing balance	Opening balance [Note 2]
Total	29,709,478,742.04	25,182,827,650.74

Note 1: Please refer to section XI of notes to financial statements for details.

Note 2: Please refer to section III (XXXII) 1 (2) of notes to the financial statements for details on the difference between opening balance and closing balance of preceding period (i.e., December 31, 2018).

29. Long-term borrowings

Items	Closing balance	Opening balance
Guaranteed borrowings	2,708,570,000.00	2,037,279,049.00
Pledged borrowings	1,400,000,000.00	4,165,000,000.00
Mortgaged borrowings	1,827,100,796.18	748,800,000.00
Mortgaged and guaranteed borrowings	28,262,537,370.79	30,759,949,637.23
Pledged and guaranteed borrowings	1,379,900,000.00	2,318,820,000.00
Pledged and mortgaged borrowings	1,511,293,181.36	1,653,950,000.00
Mortgaged, pledged and guaranteed borrowings	15,292,550,000.00	5,686,330,000.00
Total	52,381,951,348.33	47,370,128,686.23

30. Bonds payable

(1) Details

Items	Closing balance	Opening balance
Short-term financing bonds	1,199,953,972.60	998,827,397.26
Medium-term notes	2,285,815,112.72	1,099,236,723.87
Corporate bonds of 2015 (public offering)	281,684,235.66	281,350,632.38
Corporate bonds of 2016 (private placement)		2,572,893,799.16
Corporate bonds of 2018 (public offering)	3,574,535,166.66	3,561,965,262.82
Corporate bonds of 2018 (private placement)	2,085,749,404.99	2,077,800,813.89
Corporate bonds of 2019 (public offering)	3,562,846,297.68	
Ultra short-term notes of 2019	1,995,781,917.81	
Convertible bonds of Shenzhen Qianhai Wutong	1,175,404,071.22	144,749,367.94
Overseas USD bonds	2,026,012,067.16	
Less: Bonds payable due within one year	4,652,824,197.29	4,336,363,106.04
Total	13,534,958,049.21	6,400,460,891.28

(2) Current period movements (not including other financial instruments such as preferred shares or perpetual bonds classified as financial liabilities)

Bonds	Par value	Issuing date	Maturity	Amount outstanding	Opening balance	Current period issuance
Corporate bonds of 2015 (public offering) [Note 1]	100.00	August 28, 2015	3+2 years	2,000,000,000.00	281,350,632.38	
Medium-term note of 2016 (phase I)	100.00	March 22, 2016	3 years	1,100,000,000.00	1,099,236,723.87	
Private placement of corporate bonds of 2016 (phase I)	100.00	March 16, 2016	1+1+1 years or 2+1 years	2,550,000,000.00	566,072,545.37	
Corporate bonds of 2016 (private placement) (phase II)	100.00	May 3, 2016	1+1+1 years, 2+1 years, 3+2 years	5,400,000,000.00	1,913,570,562.45	
Corporate bonds of 2016 (private placement) (phase III)	100.00	July 26, 2016	1+1+1 years, 2+1 years	4,600,000,000.00	93,250,691.34	
Short-term financing bonds of 2018	100.00	August 3, 2019	1 year	1,000,000,000.00	998,827,397.26	
Corporate bonds of 2018 (public offering) [Note 2]	100.00	February 9, 2018	2+2 years, 3+2 years	3,580,000,000.00	3,561,965,262.82	
Bonds of 2018 (private placement) (phase I) [Note 3]	100.00	April 3, 2018	2+1 years	600,000,000.00	597,385,323.50	
Bonds of 2018 (private placement) (phase II) [Note 3]	100.00	September 5, 2018	2+1 years	1,500,000,000.00	1,480,415,490.39	
Medium-term note of 2019 (phase I)	100.00	January 11, 2019	2 years	1,000,000,000.00		994,258,679.25
Short-term financing bonds of 2019	100.00	January 8, 2019	1 year	1,200,000,000.00		1,197,600,000.00
Ultra short-term financing bonds of 2019 (phase I)	100.00	January 22, 2019	180 days	700,000,000.00		698,600,000.00
Ultra short-term financing bonds of 2019 (phase II)	100.00	April 26, 2019	270 days	800,000,000.00		797,600,000.00
Medium-term note of 2019 (phase II)	100.00	April 16, 2019	2 years	1,300,000,000.00		1,283,078,981.14
Corporate bonds of 2019 (public offering) (phase I) [Note 4]	100.00	March 11, 2019	2+2 years	2,000,000,000.00		1,984,811,320.75
Overseas USD bonds [Note 5]	100.00	June 20, 2019	2 years	2,064,150,000.00		2,013,048,450.00
Corporate bonds of 2019 (public offering) (phase II) [Note 4]	100.00	July 8, 2019	2+1 years	1,580,000,000.00		1,570,684,905.66
Ultra short-term financing bonds of 2019 (phase III)	100.00	December 18, 2019	270 days	1,200,000,000.00		1,196,400,000.00
Convertible bonds of Shenzhen Qianhai Wutong	100.00	March 29, 2019	1 year	1,181,399,000.00	144,749,367.94	1,175,404,071.22
Subtotal				35,355,549,000.00	10,736,823,997.32	12,911,486,408.02

(Continued)

Bonds	Par value interest	Premium/ Discount amortization or exchange rate changes	Current period repayment	Closing balance	Including: Bonds payable due within one year
Corporate bonds of 2015 (public offering) [Note 1]	18,033,529.60	333,603.28		281,684,235.66	281,684,235.66
Medium-term note of 2016 (phase I)	12,937,808.22	763,276.13	1,100,000,000.00		
Private placement of corporate bonds of 2016 (phase I)	7,419,013.70	3,927,454.63	570,000,000.00		
Corporate bonds of 2016 (private placement) (phase II)	44,345,052.05	4,429,437.55	1,918,000,000.00		
Corporate bonds of 2016 (private placement) (phase III)	3,559,452.05	6,749,308.66	100,000,000.00		
Short-term financing bonds of 2018	40,643,835.62	1,172,602.74	1,000,000,000.00		
Corporate bonds of 2018 (public offering) [Note 2]	262,590,000.00	12,569,903.84		3,574,535,166.66	
Bonds of 2018 (private placement) (phase I) [Note 3]	47,400,000.00	1,108,392.12		598,493,715.62	
Bonds of 2018 (private placement) (phase II) [Note 3]	120,900,000.00	6,840,198.98		1,487,255,689.37	

Bonds	Par value interest	Premium/ Discount amortization or exchange rate changes	Current period repayment	Closing balance	Including: Bonds payable due within one year
Medium-term note of 2019 (phase I)	67,315,068.49	2,663,097.44		996,921,776.69	
Short-term financing bonds of 2019	76,504,109.59	2,353,972.60		1,199,953,972.60	1,199,953,972.60
Ultra short-term financing bonds of 2019 (phase I)	20,263,561.64	1,400,000.00	700,000,000.00		
Ultra short-term financing bonds of 2019 (phase II)	32,109,589.04	1,643,835.62		799,243,835.62	799,243,835.62
Medium-term note of 2019 (phase II)	60,932,602.74	5,814,354.89		1,288,893,336.03	
Corporate bonds of 2019 (public offering) (phase I) [Note 4]	111,912,328.77	5,941,192.89		1,990,752,513.64	
Overseas debt in US dollar [Note 5]	100,991,217.96	12,963,617.16		2,026,012,067.16	
Corporate bonds of 2019 (public offering) (phase II) [Note 4]	49,802,465.75	1,408,878.38		1,572,093,784.04	
Ultra short-term financing bonds of 2019 (phase III)	2,711,014.00	138,082.19		1,196,538,082.19	1,196,538,082.19
Convertible bonds of Shenzhen Qianhai Wutong	76,279,157.79	801,032.06	145,550,400.00	1,175,404,071.22	1,175,404,071.22
Subtotal	1,156,649,807.01	73,022,241.16	5,533,550,400.00	18,187,782,246.50	4,652,824,197.29

Note 1: Under the approval of China Securities Regulatory Commission (“CSRC”), the Company publicly issues corporate bonds with par value not exceeding 3.8 billion yuan to qualified investors. The Company issued corporate bond (phase I) of 2015 on August 28, 2015 in amount of 2 billion yuan, with term of 5 years. It is fixed-rate bond attached with issuer’s option of adjusting coupon rate and investor’s option of selling back, i.e., the coupon rate of 6.40% is fixed in the first three years of the bond duration and can be increased by the issuer at the end of the third year. The changed annual coupon rate is 6.40% plus increased base points, which will be fixed in the remaining two years. After the announcement of adjustment on coupon rate by the issuer, the investor has option to sell all or part of holding bonds back to the issuer at par value on the third interest payment date. The Company did not adjust the bond coupon rate on August 28, 2018. 17,182,261 bonds in amount of 1,828.19 million yuan (interest included) were sold back by investors.

Note 2: Under the of approval of CSRC, the Company publicly issues corporate bonds with par value not exceeding 5.5 billion yuan to qualified investors. In which, the corporate bond by public offering (phase I) of 2018 issued on February 9, 2018 amounts to 3.58 billion yuan, which is divided into two categories. Category A amounts to 1.97 billion yuan with term of 4 years and issuing rate of 7.2%, attached with issuer’s option of adjusting coupon rate and investor’s option of selling back at the end of the second year; category B amounts to 1.61 billion yuan with term of 5 years and issuing rate of 7.5%, attached with issuer’s option of adjusting coupon rate and investor’s option of selling back at the end of the third year.

Note 3: Under the of approval of Shenzhen Stock Exchange, the Company issues corporate bonds with par value not exceeding 6 billion yuan. In which, the corporate bond by private placement (phase I) of 2018 issued on April 3, 2018 amounts to 600 million yuan with term of 3 years and

coupon rate of 7.9%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year. The corporate bond by private placement (phase II) of 2018 issued on September 5, 2018 amounts to 1.5 billion yuan with term of 3 years and coupon rate of 8.06%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year.

Note 4: Under the approval of CSRC, the Company publicly issues corporate bonds with par value not exceeding 4.4 billion yuan to qualified investors. In which, the corporate bond by public offering (phase I) of 2019 issued on March 11, 2019 amounts to 2 billion yuan with term of 4 years and coupon rate of 6.9%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year. The corporate bond by public offering (phase II) of 2019 issued on July 8, 2019 amounts to 1.58 billion yuan with term of 3 years and coupon rate of 6.5%, attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of the second year.

Note 5: Under the approval of the National Development and Reform Commission, the Company issued high-grade bonds in amount of USD 300 million on June 20, 2019 with term of 2 years and coupon rate of 8.375%.

31. Long-term payables

(1) Details

Items	Closing balance	Opening balance
Finance lease payable	1,192,342,194.58	746,194,009.62
Total	1,192,342,194.58	746,194,009.62

(2) Other remarks

Pursuant to the Finance Lease Contract entered into between the subsidiary Xinjiang Huaran (the lessee) and 重庆润金融资租赁有限公司 (Chongqing Runjin Finance Lease Co., Ltd.*, the lessor), the leased property under this contract shall be the 50 sets of B01-B50 wind turbines of No. 6 wind farm in Yandun, Hami, Xinjiang, which is purchased from the lessee by the lessor and leased to the lessee. The transfer price is 505 million yuan, and the lease term is 12 years; as of December 31, 2019, the balance of this long-term payable totaled 351.91 million yuan.

Pursuant to the Finance Lease Contract entered into between the subsidiary Hami Huaran (the lessee) and Yinhai Lease (the lessor), the leased property under this contract shall be the 30 sets of H11L-2.0MW wind turbines and 4 sets of wind power tower mould in the C-area of Jingxia No. 2 Wind Farm, which are purchased from the lessee by the lessor and leased to the lessee. The transfer price is 300 million yuan, and the lease term is 8 years; as of December 31, 2019, the balance of this long-term payable totaled 290,427,700 yuan.

* The English name is for identification purpose only.

Pursuant to the Finance Lease Contract entered into between 五家渠鑫垣风力发电有限公司 (Wujiaqu Xinyuan Wind Power Co., Ltd.* , the lessee A), the holding subsidiary 重庆金科新能源有限公司 (Chongqing Jinke New Energy Co., Ltd.* , the lessee B), and 中信金融租赁有限公司 (CITIC Financial Leasing Co., Ltd.* , the lessor), the leased property under this contract shall be the assets including equipment and facilities of 100MW wind power station and closely-related structures in Wujiaqu Xinyuan Liushi Beitashan Farm, which are purchased from the lessees by the lessor and leased to the lessees. The transfer price is 552,106,100 yuan, and the lease term is 10 years; as of December 31, 2019, the balance of this long-term payable totaled 550 million yuan.

32. Deferred income

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	317,819,517.84	202,720,470.60	51,603,075.00	468,936,913.44	Special fiscal subsidies for matching funds, etc.
Total	317,819,517.84	202,720,470.60	51,603,075.00	468,936,913.44	

(2) Details of government grants

Items	Opening balance	Increase	Grants included into profit or loss [Note]	Closing balance	Related to assets/income
Subsidy for infrastructure construction	44,250,000.00			44,250,000.00	Related to assets
Subsidy for supporting industrial development	232,800,000.00	110,000,000.00		342,800,000.00	Related to assets
Special fiscal subsidy for matching funds	40,769,517.84	92,720,470.60	51,603,075.00	81,886,913.44	Related to assets
Subtotal	317,819,517.84	202,720,470.60	51,603,075.00	468,936,913.44	

Note: Please refer to notes to government grants for details on government grants included into profit or loss.

33. Other non-current liabilities

Items	Closing balance	Opening balance
Restricted share repurchase obligation		4,774,000.00
Total		4,774,000.00

* The English names are for identification purpose only.

34. Share capital

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	5,339,715,816						5,339,715,816

35. Other equity instruments

(1) Basic information of other financial instruments such as preferred shares or perpetual bonds outstanding as of the balance sheet date

The Company obtained investment funds of 800 million yuan with unfixed repayment term in 2019.

(2) Current period movements of perpetual bonds outstanding at the balance sheet date

Items	Opening balance		Increase	
	Quantity	Carrying amount	Quantity	Carrying amount
Perpetual bonds		1,700,000,000.00		800,000,000.00
Subtotal		1,700,000,000.00		800,000,000.00

(Continued)

Items	Decrease		Closing balance	
	Quantity	Carrying amount	Quantity	Carrying amount
Perpetual bonds		1,700,000,000.00		800,000,000.00
Subtotal		1,700,000,000.00		800,000,000.00

(3) Other remarks

Pursuant to the relevant agreement entered into between the Company and 湖北省资产管理有限公司 (Hubei Asset Management Co., Ltd.*), Hubei Asset Management Co., Ltd. owns a creditor's right of 800 million yuan from the Company. Hubei Asset Management Co., Ltd. agrees that there is no limit to the debt repayment term, and the order of repayment is not earlier than other general debts. The Company has the right to choose the time of repayment according to the actual operating conditions.

Since the clauses of above-mentioned agreement do not include the contractual obligation to deliver cash or other financial assets to other parties, nor the contractual obligation to exchange financial assets or financial liabilities with other parties under potentially adverse conditions, which complies with the definition of equity instruments in "CASBE 37 - Presentation of Financial Instruments" (revised on June 20, 2014), "Regulations on Distinguishing of Financial Liabilities and Equity Instruments & Related Accounting Treatment" (Cai Kuai [2014] No. 13), and "Regulations on Accounting Treatment of Perpetual Bonds" (Cai Kuai [2019] No. 2),

* The English name is for identification purpose only.

therefore, the Company classifies the debt with no fixed repayment term of 800 million yuan as other equity instruments.

36. Capital reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	3,917,614,872.00	386,401,335.08	1,946,500.00	4,302,069,707.08
Other capital reserve	182,311,943.08	22,770,946.58		205,082,889.66
Total	4,099,926,815.08	409,172,281.66	1,946,500.00	4,507,152,596.74

(2) Other remarks

1) Current decrease of share premium amounting to 1,946,500.00 yuan is due to the repurchase of restricted shares with the right of recourse; current increase of share premium amounting to 386,401,335.08 yuan is due to equity transactions with non-controlling shareholders.

2) Current increase of other capital reserve

22,770,946.58 yuan is arising from increase of equity incentive costs, of which, equity-settled share-based payments of 426,856.94 yuan is included into other capital reserve. Please refer to section XI for details; adjustment on deferred tax assets of 22,344,089.64 yuan calculated and recognized based on the difference between the accounting base and tax base of equity incentive is included into other capital reserve pursuant to the document numbered Announcement of SAT (State Administration of Taxation) No. 18 in 2012.

37. Treasury shares

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Restricted shares	121,744,175.00		21,658,850.00	100,085,325.00
Repurchased but not cancelled shares	15,793,975.00	5,279,750.00		21,073,725.00
Total	137,538,150.00	5,279,750.00	21,658,850.00	121,159,050.00

(2) Other remarks

1) Current decrease of restricted shares is due to the repurchase of 2,275,000 restricted shares that are not qualified for incentive plan and not eligible for unlocking, as well as the distribution of cash dividend. Please refer to section XI of notes to financial statements for details on equity incentive.

2) The repurchased but not cancelled shares in this period were increased by 5,279,750.00 yuan. Pursuant to the resolutions passed by the second extraordinary shareholders' meeting, Mr. 刘忠海 (Liu Zhonghai) was elected as the supervisor of the tenth session of the Board of Supervisors of

the Company. Pursuant to relevant regulations of the “Administrative Methods for Equity Incentives of Listed Companies”, Mr. Liu Zhonghai was no longer eligible for equity incentives. The Company would repurchase 1,750,000 restricted RMB ordinary shares (A share), which had been granted but still unlocked, at the price of 2.37 yuan per share from Mr. Liu Zhonghai in cash. Because of the departure of the employees 姚科 (Yao Ke) and 马青伟 (Ma Qingwei), the Company would repurchase 200,000 restricted RMB ordinary shares (A share) which had been granted but still unlocked at the price of 1.81 yuan per share from Yao Ke in cash and repurchase 325,000 restricted RMB ordinary shares (A share) which had been granted but still unlocked at the price of 2.37 yuan per share from Ma Qingwei in cash. As of December 31, 2019, cancellation of the restricted shares repurchased and its registration procedures have not been completed.

38. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative					Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Items to be reclassified subsequently to profit or loss	1,410,705,704.70	1,487,611,220.10		427,042,292.73	981,682,082.35	78,886,845.02	2,392,387,787.05
Including: Difference between fair value and carrying amount of inventories transferred into investment property	1,410,705,704.70	1,479,798,066.43		427,042,292.73	973,868,928.68	78,886,845.02	2,384,574,633.38
Other comprehensive income to be transferred to profit or loss under equity method		7,813,153.67			7,813,153.67		7,813,153.67
Total	1,410,705,704.70	1,487,611,220.10		427,042,292.73	981,682,082.35	78,886,845.02	2,392,387,787.05

39. Surplus reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	936,688,613.37	527,212,174.21		1,463,900,787.58
Total	936,688,613.37	527,212,174.21		1,463,900,787.58

(2) Other remarks

Current increase amounting is due to the appropriation of statutory surplus reserve at 10% of the net profit generated by the parent company.

40. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Opening balance	9,831,266,617.39	7,738,711,235.35
Add: Net profit attributable to owners of the parent company	5,675,826,256.49	3,885,918,469.56
Less: Appropriation of statutory surplus reserve	527,212,174.21	356,948,716.17

Items	Current period cumulative	Preceding period comparative
Dividend payable on ordinary shares	1,918,296,493.76	1,332,997,704.00
Others [Note]	76,499,999.00	103,416,667.35
Closing balance	12,985,084,206.91	9,831,266,617.39

Note: Interest payable due to the holders of other equity instruments totaled 76,499,999.00 yuan in the current period, of which, 103,416,665.00 yuan has been paid (including unpaid interest of 26,916,666.00 yuan at the end of preceding period).

(II) Notes to items of the consolidated income statement

1. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	66,726,638,517.45	47,314,849,291.20	40,499,932,132.72	28,861,293,727.35
Other operations	1,046,736,002.72	915,210,383.10	733,744,292.05	591,275,408.84
Total	67,773,374,520.17	48,230,059,674.30	41,233,676,424.77	29,452,569,136.19

(2) Other remarks

Top five projects with largest revenue from main operations of 2019

Items	Revenue from main operations	Proportion to total revenue from main operations (%)
No.1	2,664,432,332.12	3.99
No.2	2,330,986,637.06	3.49
No.3	2,319,979,814.31	3.48
No.4	2,197,350,912.84	3.29
No.5	2,104,510,997.25	3.15
Subtotal	11,617,260,693.58	17.40

2. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Business tax		27,958,765.88
Urban maintenance and construction tax	206,605,209.45	136,139,161.77
Education surcharge	84,609,923.09	59,628,325.91
Local education surcharge	56,064,637.45	40,407,647.38
Land appreciation tax	2,188,451,225.79	980,822,843.48
Stamp duty	101,916,726.23	97,244,980.25
Housing property tax	32,884,895.79	28,273,754.69

Items	Current period cumulative	Preceding period comparative
Land use tax	19,746,763.35	28,920,307.72
Others [Note]	16,547,434.37	7,752,113.87
Total	2,706,826,815.52	1,407,147,900.95

Note: It included carry-forward of business tax prepaid before replacing business tax with VAT in amount of 4,419,729.89 yuan.

3. Selling expenses

Items	Current period cumulative	Preceding period comparative
Advertising expenses	2,357,328,695.28	1,317,039,545.74
Employee benefits	1,002,387,413.85	827,333,898.01
Others	854,793,757.05	417,439,017.75
Total	4,214,509,866.18	2,561,812,461.50

4. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	1,910,126,223.08	1,683,064,091.55
Office administrative expenses	439,636,372.43	427,970,685.46
Depreciation of fixed assets	51,728,669.95	40,506,179.03
Equity incentive expenses	426,856.94	4,973,968.46
Others	287,535,623.80	183,009,828.15
Total	2,689,453,746.20	2,339,524,752.65

5. R&D expenses

Items	Current period cumulative	Preceding period comparative
R&D expenditures	13,315,938.04	2,161,554.43
Employee benefits	27,736,565.97	1,243,259.00
Total	41,052,504.01	3,404,813.43

6. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	965,772,811.27	543,249,297.49
Less: Interest income [Note]	413,148,265.96	537,496,047.23
Others	76,093,094.03	43,904,309.65
Total	628,717,639.34	49,657,559.91

Note: It included interest income of bank deposit in amount of 183,621,498.41 yuan, interest income of investment and development funds received from associates and joint ventures in accordance with the agreement in amount of 224,788,019.34 yuan, and the interest income of investment and development received from other external parties in amount of 4,738,748.21 yuan.

7. Other income

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Special fiscal subsidy for matching funds	51,603,075.00	26,233,511.24	51,603,075.00
Fiscal subsidy	97,179,722.41	40,165,119.26	92,980,456.16
Others	4,929,728.73	7,090,812.29	9,128,994.98
Total	153,712,526.14	73,489,442.79	153,712,526.14

Note: Please refer to section V (IV) 3 of notes to the financial statements for details on government grants included into other income.

8. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	184,599,961.90	-27,494,730.85
Gains on disposal of long-term equity investments		-160,967,557.15
Investment income from financial instruments	1,095,997.81	
Including: Debt investments	1,095,997.81	
Investment income from available-for-sale financial assets		2,228,448.15
Total	185,695,959.71	-186,233,839.85

9. Gains on changes in fair value

Items	Current period cumulative	Preceding period comparative
Investment property at fair value [Note]	95,873,271.19	66,430,327.11
Total	95,873,271.19	66,430,327.11

Note: Please refer to section V (I) 13 (2) of notes to the financial statements for details.

10. Credit impairment loss

Items	Current period cumulative
Bad debts	-96,449,928.06
Total	-96,449,928.06

11. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts		-35,668,845.07
Inventory write-down loss	-981,480,793.67	533,364.85
Total	-981,480,793.67	-35,135,480.22

12. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on disposal of non-current assets	1,510,698.56	460,339.95	1,510,698.56
Total	1,510,698.56	460,339.95	1,510,698.56

13. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Fines and penalties income	79,303,407.83	59,216,711.07	78,348,257.83
Gains on disposal of waste materials	529,480.53	350,967.08	529,480.53
Others	16,466,600.19	27,015,291.59	17,421,750.19
Total	96,299,488.55	86,582,969.74	96,299,488.55

14. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	245,847,726.54	128,879,788.10	245,847,726.54
Losses on damage or retirement of non-current assets	546,803.62	994,949.90	546,803.62
Compensation expenditures	63,841,597.31	24,721,912.47	63,841,597.31
Penalties and fines	56,540,580.00	31,187,230.80	56,540,580.00
Others	16,080,281.98	29,261,485.84	16,080,281.98
Total	382,856,989.45	215,045,367.11	382,856,989.45

15. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	2,239,845,396.80	1,554,446,976.48
Deferred income tax expenses	-261,784,758.57	-364,842,776.28
Total	1,978,060,638.23	1,189,604,200.20

(2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative	Preceding period comparative
Profit before tax	8,335,058,507.59	5,210,108,192.55
Income tax expenses based on tax rate applicable to the parent company	2,083,764,626.90	1,302,527,048.14
Effect of different tax rate applicable to subsidiaries	-818,376,044.42	-380,260,159.33
Effect of prior income tax reconciliation	38,900,744.10	41,017,769.40
Effect of non-taxable income	-29,328,958.32	-3,871,926.91
Effect of non-deductible costs, expenses and losses	147,505,736.41	43,595,113.03
Utilization of deductible losses not previously recognized as deferred tax assets	-77,820,626.60	-38,833,270.80
Effect of deducible temporary differences or deductible losses not recognized as deferred tax assets	550,610,442.50	191,998,490.26
Others	82,804,717.66	33,431,136.41
Income tax expenses	1,978,060,638.23	1,189,604,200.20

16. Other comprehensive income, net of income tax

Please refer to section V (I) 38 of notes to financial statements for details.

(III) Notes to items of the consolidated cash flow statement

1. Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Current accounts with associates and joint ventures	20,186,138,799.70	16,736,570,859.62
Operating current accounts with partners	9,835,861,352.35	9,021,386,284.52
Current accounts	6,251,492,136.29	5,072,948,333.21
Deposits	3,717,496,660.13	2,022,297,096.53
Funds collected and paid on behalf	1,572,465,505.81	1,736,187,325.35
Project cooperation funds	526,732,192.99	279,876,903.36
Interest income	350,848,285.85	223,948,878.19
Fiscal subsidy	286,113,794.64	266,274,143.64
Others	261,918,673.49	443,197,341.40

Items	Current period cumulative	Preceding period comparative
Total	42,989,067,401.25	35,802,687,165.82

2. Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Current accounts with associates and joint ventures	18,816,328,488.02	18,502,353,388.50
Operating current accounts with partners	17,623,959,057.76	8,703,729,706.04
Current accounts	5,045,855,005.37	5,375,318,098.78
Deposits	5,237,963,777.59	4,003,799,055.80
Expenses paid in cash	1,938,744,447.30	1,798,761,915.49
Funds collected and paid on behalf	1,683,826,046.77	1,997,409,063.01
Project cooperation funds	105,965,088.00	483,429,525.56
Others	581,530,610.62	569,208,338.81
Total	51,034,172,521.43	41,434,009,091.99

3. Other cash receipts related to investing activities

Items	Current period cumulative	Preceding period comparative
Amount reclassified from “net cash payment for the acquisition of subsidiaries and other business units” [Note]	10,411.65	160,093,259.21
Total	10,411.65	160,093,259.21

Note: Please refer to section V (III) 7 (2) of notes to financial statements for details.

4. Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Consideration for debt-bearing acquisition	3,009,652,131.05	2,208,789,414.68
Prepayments for equity acquisition	1,442,119,127.29	
Amount reclassified from “net cash payment for the disposal of subsidiaries and other business units” [Note]	893,471,275.03	1,266,565,727.65
Total	5,345,242,533.37	3,475,355,142.33

Note: Please refer to section V (III) 7 (3) of notes to the financial statements for details.

5. Other cash receipts related to financing activities

Items	Current period cumulative	Preceding period comparative
Discounting of financing notes		7,000,000.00

Items	Current period cumulative	Preceding period comparative
Equity instrument financing	800,000,000.00	
Transfer of non-controlling interest in subsidiaries	65,359,030.00	
Total	865,359,030.00	7,000,000.00

6. Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Repayment for unfixed-term entrust loans	1,700,000,000.00	
Financing costs of bonds and notes	67,761,296.25	52,439,622.64
Deposit for loans	550,190,685.37	
Payments for capital reduction funds to non-controlling shareholders of subsidiaries	166,200,000.00	1,297,500.00
Acquisition of non-controlling interest in subsidiaries	124,925,679.08	84,130,666.67
Payments for repurchasing restricted shares	960,645.00	14,051,831.00
Acceptance of matured financing notes		12,718,500.00
Total	2,610,038,305.70	164,638,120.31

7. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Supplement information	Current period cumulative	Preceding period comparative
1) Reconciliation of net profit to cash flow from operating activities:		
Net profit	6,356,997,869.36	4,020,503,992.35
Add: Provision for assets impairment loss	1,077,930,721.73	35,135,480.22
Depreciation of fixed assets, oil and gas assets, productive biological assets	267,708,612.82	201,704,304.32
Amortization of intangible assets	12,538,599.30	8,573,688.61
Amortization of long-term prepayments	65,053,529.67	27,455,009.32
Loss on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	-1,510,698.56	-460,339.95
Fixed assets retirement loss (Less: gains)	546,803.62	994,949.90
Losses on changes in fair value (Less: gains)	-95,873,271.19	-66,430,327.11
Financial expenses (Less: gains)	965,772,811.27	543,249,297.49
Investment losses (Less: gains)	-185,695,959.71	186,233,839.85
Decrease of deferred tax assets (Less: increase)	-277,836,474.97	-415,896,320.09
Increase of deferred tax liabilities (Less: decrease)	16,051,716.40	-104,768,158.39

Supplement information	Current period cumulative	Preceding period comparative
Decrease of inventories (Less: increase)	-50,046,678,041.51	-53,613,513,357.79
Decrease of operating receivables (Less: increase)	-18,646,904,915.67	-4,350,212,892.73
Increase of operating payables (Less: decrease)	62,730,633,929.42	54,856,540,285.20
Others		
Net cash flows from operating activities	2,238,735,231.98	1,329,109,451.20
2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
3) Net changes in cash and cash equivalents:		
Cash at the end of the period	34,887,063,530.25	29,483,584,814.47
Less: Cash at the beginning of the period	29,483,584,814.47	18,180,884,750.52
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	5,403,478,715.78	11,302,700,063.95

(2) Net cash payment for acquisition of subsidiaries in current period

Items	Current period cumulative
Cash and cash equivalents paid in current period as consideration for business combination in current period	758,106,137.00
Including: Henan Guofengyuan	129,022,637.00
日照亿鼎房地产开发有限公司 (Rizhao Yiding Real Estate Development Co., Ltd.*)	50,000,000.00
桂林真龙房地产开发有限公司 (Guilin Zhenlong Real Estate Development Co., Ltd.*)	166,000,000.00
贵州华胜永信置业有限公司 (Guizhou Huasheng Yongxin Real Estate Co., Ltd.*)	15,500,000.00
山东爱丽舍置业有限公司 (Shandong Elysee Property Co., Ltd.*)	
宜兴悦宏房地产开发有限公司 (Yixing Yuehong Real Estate Development Co., Ltd.*)	288,456,000.00
商丘悦恒房地产开发有限公司 (Shangqiu Yueheng Real Estate Development Co., Ltd.*)	59,127,500.00
青岛悦茂房地产开发有限公司 (Qingdao Yuemao Real Estate Development Co., Ltd.*)	50,000,000.00
新密首利置业有限公司 (Xinmi Shouli Property Co., Ltd.*)	
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	24,719,113.44
Including: Henan Guofengyuan	204,791.57

* The English names are for identification purpose only.

Items	Current period cumulative
Rizhao Yiding Real Estate Development Co., Ltd.	328,877.20
Guilin Zhenlong Real Estate Development Co., Ltd.	9,413,482.75
Guizhou Huasheng Yongxin Real Estate Co., Ltd.	14,761,550.27
Shandong Elysee Property Co., Ltd.	10,204.92
Yixing Yuehong Real Estate Development Co., Ltd.	
Shangqiu Yueheng Real Estate Development Co., Ltd.	
Qingdao Yuemao Real Estate Development Co., Ltd.	
Xinmi Shouli Property Co., Ltd.	206.73
Add: Cash and cash equivalents paid in current period as consideration for business combination in prior periods	188,309,763.01
Amount reclassified to “other cash receipts related to investing activities” [Note]	10,411.65
Net cash payment for acquisition of subsidiaries in current period	921,707,198.22

Note: For some acquisitions in the current period, the balance of cash payments for acquisition after deducting cash and cash equivalents held by acquiree is negative; therefore, it is reclassified as “other cash receipts related to investing activities”.

(3) Net cash receipts for disposal of subsidiaries in current period

Items	Current period cumulative
Cash and cash equivalents received in current period for subsidiary disposal in current period	
Including: Qianshang Real Estate	
Jinshang Baishi	
Dalian Hongkun	
Hunan Jinke	
Jurong Ruihan	
Less: Cash and cash equivalents held by subsidiaries on which the Company lost control	893,471,275.03
Including: Qianshang Real Estate	830,011.66
Jinshang Baishi	23,738,917.22
Dalian Hongkun	128,551,762.30
Hunan Jinke	650,340,334.53
Jurong Ruihan	90,010,249.32
Add: Cash and cash equivalents received in current period for subsidiary disposal in prior periods	
Amount reclassified to “other cash payments related to investing activities” [Note]	893,471,275.03
Net cash receipts for disposal of subsidiaries in current period	

Note: For some disposals in the current period, the balance of cash receipts from disposal after deducting cash and cash equivalents held by entity disposed is negative, therefore, it is reclassified

as “other cash payments related to investing activities”.

(4) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
1) Cash	34,882,463,530.25	29,483,584,814.47
Including: Cash on hand	203,590.41	226,093.82
Cash in bank on demand for payment	34,832,259,939.84	29,483,358,720.65
Other cash and bank balances on demand for payment	50,000,000.00	
2) Cash equivalents	4,600,000.00	
Including: Time certificate of deposit maturing within three months	4,600,000.00	
3) Cash and cash equivalents at the end of the period [Note]	34,887,063,530.25	29,483,584,814.47
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

Note: In the preparation process, items that are not cash and cash equivalents have been removed from the cash flow statement. Please refer to section V (I) 1 (2) of notes to the financial statements for details.

(IV) Others

1. Assets with title or use right restrictions

Items	Closing carrying amount	Opening carrying amount	Reasons for restrictions
Cash and bank balances	1,099,064,084.85	368,172,384.42	Security deposits, pledged
Accounts receivable [Note]	582,203,983.70	283,998,515.88	Pledged for borrowings
Inventories	79,614,260,549.72	54,652,681,568.84	Mortgaged for borrowings
Long-term equity investments	594,280,157.74	1,145,339,597.83	Equity pledged
Fixed assets	2,588,696,288.33	1,185,113,501.91	Mortgaged for borrowings, finance lease
Investment property	3,617,261,412.54	18,827,079.48	Mortgaged for borrowings
Construction in progress		364,466,900.00	
Total	88,095,766,476.88	58,018,599,548.36	

Note: Pursuant to the Fixed Assets Loan Contract concerning the construction of the “Yandun No. 6 wind farm of 200MW wind power project in the southeast of Hami, Xinjiang”, Xinjiang Huaran provides pledged guarantee to the Industrial and Commercial Bank of China, Chongqing North Jianxin Road Sub-branch with the income from 100MW wind power of this project; pursuant to the Pledge Contract on Zhaoshang Chuangrong – Jinke Services Asset Backed Special Plan No.1, the subsidiary Jinke Services provides pledged guarantee to the pledgee with all of the property

service fees and parking place management fees it received; pursuant to the multiple Fixed Assets Loan Contracts entered into between 苏州金科房地产开发有限公司 (Suzhou Jinke Real Estate Development Co., Ltd.*) and China CITIC Bank, Suzhou Branch, 苏州金科大酒店管理有限公司 (Suzhou Jinke Hotel Management Co., Ltd.*) provides pledged guarantee with all its accounts receivable obtained from daily operation, and Suzhou Jinke Real Estate Development Co., Ltd. provides pledged guarantee with all accounts receivable obtained by its hotels and cinemas. Pursuant to the Pledge Contract Concerning the Income from the First Phase of the Asset-backed Notes of Jinke Property Group Co., Ltd. in 2018, Jinke Services provides pledged guarantee to the pledgees with all of the property service fees it received; pursuant to the Fixed Assets Loan Contract concerning the construction of the “Jingxia North Area Project”, Hami Huaran provides pledged guarantee to the Export-Import Bank of China with 40% charge right of electricity of this project. Pursuant to the loan contract entered into between 金科新能源有限公司 (Jinke New Energy Co., Ltd.*, the “Jinke New Energy”) and the Export-Import Bank of China, Jinke New Energy provides pledged guarantee to the Export-Import Bank of China with the right to collect accounts receivable under the contract with 大唐滑县风力发电有限责任公司 (Datang Huaxian Wind Power Co. Ltd.*) for the construction of mixed towers and installation of wind turbines in Zaocun, Huaxian.

2. Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent
Cash and bank balances			4,244,790.37
Including: HKD	3,341,878.08	0.89578	2,993,587.55
USD	179,353.06	6.9762	1,251,202.82
Bonds payable			
Including: USD	300,000,000.00	6.888 [Note]	2,066,400,000.00

Note: It is the delivery rate locked by the Company through RMB foreign exchange currency swap transactions.

3. Government grants

(1) Details

1) Government grants related to assets

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Subsidy for infrastructure construction	44,250,000.00			44,250,000.00		[Note 1]
Subsidy for supporting industrial development	232,800,000.00	110,000,000.00		342,800,000.00		[Note 2]

* The English names are for identification purpose only.

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Special fiscal subsidy for matching funds	40,769,517.84	92,720,470.60	51,603,075.00	81,886,913.44	Other income	[Note 3]
Subtotal	317,819,517.84	202,720,470.60	51,603,075.00	468,936,913.44		

Note 1: It is the subsidy for infrastructure construction received by subsidiaries.

Note 2: It is the subsidy for supporting industrial development received by subsidiaries according to relevant agreement signed with the local government.

Note 3: It is the special fiscal subsidy for matching funds of underground parking space received by subsidiaries.

2) Government grants related to income and used to compensate incurred relevant costs, expenses or losses

Items	Amounts	Amounts presented under	Remarks
Fiscal subsidy	92,980,456.16	Other income	[Note]
Others	9,128,994.98	Other income	
Subtotal	102,109,451.14		

Note: It is the fiscal subsidy received by subsidiaries granted from governments at all levels.

(2) In the current period, government grants included into profit or loss totaled 153,712,526.14 yuan.

VI. Changes in the consolidation scope

(I) Business combination not under common control

1. Business combination not under common control in current period

Unit: in ten thousand yuan

Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method
Henan Guofengyuan	January 1, 2019	27,610.94	100.00	Equity acquisition
毕节正罡置业有限公司 (Bijie Zhenggang Real Estate Co., Ltd.*)	April 19, 2019		100.00	Equity acquisition
重庆泽荣房产置换有限责任公司 (Chongqing Zerong Real Estate Replacement Co., Ltd.*)	April 12, 2019	3,356.70	50.10	Equity capital increase
温州瑞乾置业有限公司 (Wenzhou Ruiqian Real Estate Co., Ltd.*)	September 30, 2019	20,040.00	50.10	Equity capital increase
绍兴柯桥聚杭房地产开发有限公司 (Shaoxing Keqiao Juhang Real Estate Development Co., Ltd.*)	May 31, 2019	26,653.20	50.10	Equity capital increase

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Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method
Shandong Elysee Property Co., Ltd.	July 10, 2019	15,555.00	51.00	Equity capital increase
Rizhao Yiding Real Estate Development Co., Ltd.	July 24, 2019	5,000.00	100.00	Equity acquisition
Guilin Zhenlong Real Estate Development Co., Ltd.	January 24, 2019	16,600.00	60.00	Equity acquisition
普洱碧创房地产开发有限公司 (Pu'er Bichuang Real Estate Development Co., Ltd.*)	June 1, 2019	8,285.99	51.00	Equity capital increase
贵港市碧享房地产开发有限公司 (Guigang Bixiang Real Estate Development Co., Ltd.*)	July 1, 2019	26,924.94	51.00	Equity capital increase
Yixing Yuehong Real Estate Development Co., Ltd.	July 25, 2019	41,208.00	51.00	Equity capital increase and equity acquisition
张家港星辰房地产开发有限公司 (Zhangjiagang Xingchen Real Estate Development Co., Ltd.*)	June 28, 2019	29,247.23	51.00	Equity capital increase
平湖悦佳房地产开发有限公司 (Pinghu Yuejia Real Estate Development Co., Ltd.*)	May 1, 2019	12,451.85	50.10	Equity capital increase
景德镇华地金达房地产有限公司 (Jingdezhen Huadi Jinda Real Estate Co., Ltd.*)	July 3, 2019	16,228.20	51.00	Equity capital increase
Xinmi Shouli Property Co., Ltd.	December 13, 2019		51.00	Equity acquisition
Guizhou Huasheng Yongxin Real Estate Co., Ltd.	November 7, 2019	9,300.00	30.60	Equity acquisition
Shangqiu Yueheng Real Estate Development Co., Ltd.	August 5, 2019	5,912.75	100.00	Equity acquisition
Qingdao Yuemao Real Estate Development Co., Ltd.	July 24, 2019	5,000.00	100.00	Equity acquisition

(Continued)

Acquirees	Acquisition date	Determine basis for acquisition date	Acquiree's income from acquisition date to period end	Acquiree's net profit from acquisition date to period end
Henan Guofengyuan	January 1, 2019	Transfer date of property right	72.96	-2,721.41
Bijie Zhenggang Real Estate Co., Ltd.	April 19, 2019	Transfer date of property right		-88.63
Chongqing Zerong Real Estate Replacement Co., Ltd.	April 12, 2019	Transfer date of property right	1.36	-623.33
Wenzhou Ruiqian Real Estate Co., Ltd.	September 30, 2019	Transfer date of property right		-52.32
Shaoxing Keqiao Juhang Real Estate Development Co., Ltd.	May 31, 2019	Transfer date of property right		-1,578.68
Shandong Elysee Property	July 10, 2019	Transfer date of		-35.16

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Acquirees	Acquisition date	Determine basis for acquisition date	Acquiree's income from acquisition date to period end	Acquiree's net profit from acquisition date to period end
Co., Ltd.		property right		
Rizhao Yiding Real Estate Development Co., Ltd.	July 24, 2019	Transfer date of property right		-970.96
Guilin Zhenlong Real Estate Development Co., Ltd.	January 24, 2019	Transfer date of property right	35.88	-1,090.36
Pu'er Bichuang Real Estate Development Co., Ltd.	June 1, 2019	Transfer date of property right		-310.72
Guigang Bixiang Real Estate Development Co., Ltd.	July 1, 2019	Transfer date of property right	0.55	-724.50
Yixing Yuehong Real Estate Development Co., Ltd.	July 25, 2019	Transfer date of property right		-425.81
Zhangjiagang Xingchen Real Estate Development Co., Ltd.	June 28, 2019	Transfer date of property right	4.99	-608.52
Pinghu Yuejia Real Estate Development Co., Ltd.	May 1, 2019	Transfer date of property right	13.28	-302.23
Jingdezhen Huadi Jinda Real Estate Co., Ltd.	July 3, 2019	Transfer date of property right	8.89	-792.31
Xinmi Shouli Property Co., Ltd.	December 13, 2019	Transfer date of property right		-0.46
Guizhou Huasheng Yongxin Real Estate Co., Ltd.	November 7, 2019	Transfer date of property right		-1,085.97
Shangqiu Yueheng Real Estate Development Co., Ltd.	August 5, 2019	Transfer date of property right		-716.71
Qingdao Yuemao Real Estate Development Co., Ltd.	July 24, 2019	Transfer date of property right		-1,708.75

2. Combination costs and goodwill

Unit: in ten thousand yuan

Items	Henan Guofengyuan	Bijie Zhenggang Real Estate Co., Ltd.	Chongqing Zerong Real Estate Replacement Co., Ltd.	Wenzhou Ruiqian Real Estate Co., Ltd.	Shaoxing Keqiao Juhang Real Estate Development Co., Ltd.	Shandong Elysee Property Co., Ltd.
Combination costs						
Cash	22,862.26		3,356.70	20,040.00	26,653.20	15,555.00
Acquisition-date fair value of equity held before the acquisition date	4,748.68					
Total combination costs	27,610.94		3,356.70	20,040.00	26,653.20	15,555.00
Less: Share of fair value of net identifiable assets acquired	27,610.94		3,356.70	20,040.00	26,653.20	15,555.00
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

(Continued)

Items	Rizhao Yiding Real Estate Development Co., Ltd.	Guilin Zhenlong Real Estate Development Co., Ltd.	Pu'er Bichuang Real Estate Development Co., Ltd.	Guigang Bixiang Real Estate Development Co., Ltd.	Yixing Yuehong Real Estate Development Co., Ltd.	Zhangjiagan g Xingchen Real Estate Development Co., Ltd.
Combination costs						
Cash	5,000.00	16,600.00	8,285.99	26,924.94	41,208.00	29,247.23
Total combination costs	5,000.00	16,600.00	8,285.99	26,924.94	41,208.00	29,247.23
Less: Share of fair value of net identifiable assets acquired	5,000.00	16,600.00	8,285.99	26,924.94	41,208.00	29,247.23
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

(Continued)

Items	Pinghu Yuejia Real Estate Development Co., Ltd.	Jingdezhen Huadi Jinda Real Estate Co., Ltd.	Xinmi Shouli Property Co., Ltd.	Guizhou Huasheng Yongxin Real Estate Co., Ltd.	Shangqiu Yueheng Real Estate Development Co., Ltd.	Qingdao Yuemao Real Estate Development Co., Ltd.
Combination costs						
Cash	12,451.85	16,228.20		9,300.00	5,912.75	5,000.00
Total combination costs	12,451.85	16,228.20		9,300.00	5,912.75	5,000.00
Less: Share of fair value of net identifiable assets acquired	12,451.85	16,228.20		9,300.00	5,912.75	5,000.00
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs						

3. Acquisition-date identifiable assets and liabilities of acquirees

(1) The summary of identifiable assets and liabilities of acquirees at the acquisition date

Unit: in ten thousand yuan

Items	Acquisition-date fair value	Acquisition-date carrying amount
Assets	1,016,780.97	984,567.99
Cash and bank balances	4,096.75	4,096.75
Advances paid	323,737.94	323,737.94
Other receivables	241,132.92	241,132.92
Inventories	444,606.29	412,393.31
Other current assets	1,243.40	1,243.40
Fixed assets	596.25	596.25
Intangible assets	34.04	34.04
Long-term prepayments	288.07	288.07
Deferred tax assets	1,045.31	1,045.31
Liabilities	722,463.82	722,463.82

Items	Acquisition-date fair value	Acquisition-date carrying amount
Notes payable	54.00	54.00
Accounts payable	4,688.99	4,688.99
Employee benefits payable	107.70	107.70
Taxes and rates payable	-557.56	-557.56
Other payables	571,920.69	571,920.69
Non-current liabilities due within one year	33,750.00	33,750.00
Long-term borrowings	112,500.00	112,500.00
Net assets	294,317.15	262,104.17
Less: Non-controlling interest	24,942.35	24,942.35
Net assets acquired	269,374.80	237,161.82

(2) Fair value determination method on identifiable assets and liabilities

The acquisition-date fair value of the identifiable assets and liabilities of above acquires is mainly determined based on the assessment value on the valuation benchmark date agreed between two parties, or the acquiree's carrying amount on the acquisition date.

(II) Changes in consolidation scope due to other reasons

1. Entities brought into the consolidation scope

Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
河北大元金科物业服务服务有限公司 (Hebei Dayuan Jinke Property Service Co., Ltd.*)	Set up	October 16, 2019	650,000.00	65.00%
汝州市金科科源物业服务服务有限公司 (Ruzhou Jinke Keyuan Property Service Co., Ltd.*)	Set up	November 15, 2019		51.00%
山西金学商务服务有限公司 (Shanxi Jinxue Business Service Co., Ltd.*)	Set up	May 28, 2019		100.00%
四川金科玫瑰园物业服务服务有限公司 (Sichuan Jinke Rose Garden Property Service Co., Ltd.*)	Set up	October 18, 2019		60.00%
四川金科明悦物业管理有限公司 (Sichuan Jinke Mingyue Property Management Co., Ltd.*)	Set up	September 16, 2019		51.00%
四川金科祥奥物业服务服务有限公司 (Sichuan Jinke Xiang'ao Property Service Co., Ltd.*)	Set up	November 8, 2019		51.00%
天津金润产业服务有限公司 (Tianjin Jinrun Industrial Service Co., Ltd.*)	Set up	May 28, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Ltd.*)				
潍坊金科建设投资有限公司 (Weifang Jinke Construction and Investment Co., Ltd.*)	Set up	July 8, 2019	50,000,000.00	100.00%
云南金西瑞物业服务服务有限公司 (Yunnan Jinxirui Property Service Co., Ltd.*)	Set up	November 28, 2019		51.00%
重庆金鸿通建筑工程项目管理有限公司 (Chongqing Jinhongtong Construction Project Management Co., Ltd.*)	Set up	November 5, 2019		75.00%
重庆金科德佩实业有限公司 (Chongqing Jinke Depei Industrial Co., Ltd.*)	Set up	June 12, 2019		100.00%
重庆金科德元实业有限公司 (Chongqing Jinke Deyuan Industrial Co., Ltd.*)	Set up	June 12, 2019		100.00%
重庆乾佩元企业管理咨询服务有限公司 (Chongqing Qianpeiyuan Enterprise Management Consulting Service Co., Ltd.*)	Set up	November 5, 2019		100.00%
青岛金科实业发展有限公司 (Qingdao Jinke Industrial Development Co., Ltd.*)	Set up	December 24, 2019		100.00%
荆州金纬房地产开发有限公司 (Jingzhou Jinwei Real Estate Development Co., Ltd.*)	Set up	September 6, 2019		100.00%
武汉金科卓砺房地产开发有限公司 (Wuhan Jinke Zhuoli Real Estate Development Co., Ltd.*)	Set up	November 7, 2019		100.00%
武汉卓砺房地产有限公司 (Wuhan Zhuoli Real Estate Co., Ltd.*)	Set up	September 29, 2019		100.00%
孝感金泽置业有限公司 (Xiaogan Jinze Real Estate Co., Ltd.*)	Set up	October 25, 2019	15,400,000.00	100.00%
信阳金启房地产开发有限公司 (Xinyang Jinqi Real Estate Development Co., Ltd.*)	Set up	September 2, 2019	30,600,000.00	51.00%
枣阳市金恒房地产开发有限公司 (Zaoyang Jinheng Real Estate Development Co., Ltd.*)	Set up	December 12, 2019		100.00%
枣阳市金纬房地产开发有限公司 (Zaoyang Jinwei Real Estate Development Co., Ltd.*)	Set up	April 23, 2019		100.00%
枣阳市金兴房地产开发有限公司 (Zaoyang Jinxing Real Estate Development	Set up	December 12, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Co., Ltd.*)				
长沙金朝置业有限公司 (Changsha Jinchao Real Estate Co., Ltd.*)	Set up	October 21, 2019		53.00%
株洲景科置业有限公司 (Zhuzhou Jingke Real Estate Co., Ltd.*)	Set up	July 5, 2019	150,000,000.00	53.00%
常德宏景房地产开发有限公司 (Changde Hongjing Real Estate Development Co., Ltd.*)	Set up	July 2, 2019		100.00%
汨罗市润城房地产开发有限责任公司 (Miluo Runcheng Real Estate Development Co., Ltd.*)	Set up	October 24, 2019		100.00%
益阳鼎益房地产开发有限公司 (Yiyang Dingyi Real Estate Development Co., Ltd.*)	Set up	May 30, 2019	50,000,000.00	100.00%
永州润泽房地产开发有限公司 (Yongzhou Runze Real Estate Development Co., Ltd.*)	Set up	May 13, 2019	50,000,000.00	99.11%
长沙航轩商务咨询服务有限责任公司 (Changsha Hangxuan Business Consulting Service Co., Ltd.*)	Set up	March 28, 2019		100.00%
长沙嘉玺房地产开发有限公司 (Changsha Jiayi Real Estate Development Co., Ltd.*)	Set up	May 20, 2019		100.00%
长沙金霖房地产开发有限公司 (Changsha Jinlin Real Estate Development Co., Ltd.*)	Set up	April 18, 2019		100.00%
Changde Hongjing Real Estate Development Co., Ltd.	Set up	July 2, 2019		100.00%
Miluo Runcheng Real Estate Development Co., Ltd.	Set up	October 24, 2019		100.00%
邯郸冀南新区金科天博房地产开发有限公司 (Handan Jinan New District Jinke Tianbo Real Estate Development Co., Ltd.*)	Set up	April 26, 2019	143,518,759.00	49.24%
金科华北(北京)房地产开发有限公司 (Jinke North China (Beijing) Real Estate Development Co., Ltd.*)	Set up	February 27, 2019		100.00%
沈阳金畅企业管理有限公司 (Shenyang Jinchang Enterprise Management Co., Ltd.*)	Set up	January 30, 2019		100.00%
沈阳金科骏强房地产开发有限公司 (Shenyang Jinke Junqiang Real Estate	Set up	November 7, 2019	335,528,424.00	60.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Development Co., Ltd.*)				
天津雍鑫金科房地产开发有限公司 (Tianjin Yongxin Jinke Real Estate Development Co., Ltd.*)	Set up	March 18, 2019	438,593,100.00	50.41%
常州金宸房地产开发有限公司 (Changzhou Jinchen Real Estate Development Co., Ltd.*)	Set up	March 8, 2019	415,800,000.00	55.00%
阜阳百俊房地产开发有限公司 (Fuyang Baijun Real Estate Development Co., Ltd.*)	Set up	April 28, 2019	347,952,600.00	51.00%
阜阳金骏房地产开发有限公司 (Fuyang Jinjun Real Estate Development Co., Ltd.*)	Set up	May 7, 2019		100.00%
合肥东峻房地产开发有限公司 (Hefei Dongjun Real Estate Development Co., Ltd.*)	Set up	July 4, 2019		100.00%
合肥金俊宸房地产开发有限公司 (Hefei Jinjunchen Real Estate Development Co., Ltd.*)	Set up	May 8, 2019		100.00%
合肥金骏美合房地产开发有限公司 (Hefei Jinjun Meihe Real Estate Development Co., Ltd.*)	Set up	January 2, 2019	496,529,000.00	49.65%
江苏科骏房地产开发有限公司 (Jiangsu Kejun Real Estate Development Co., Ltd.*)	Set up	November 7, 2019		100.00%
南京百俊房地产开发有限公司 (Nanjing Baijun Real Estate Development Co., Ltd.*)	Set up	April 22, 2019		100.00%
南京常俊房地产开发有限公司 (Nanjing Changjun Real Estate Development Co., Ltd.*)	Set up	April 22, 2019		100.00%
南京东骏房地产开发有限公司 (Nanjing Dongjun Real Estate Development Co., Ltd.*)	Set up	April 22, 2019		100.00%
南京金凯房地产开发有限公司 (Nanjing Jinkai Real Estate Development Co., Ltd.*)	Set up	April 22, 2019		100.00%
南京科宸房地产开发有限公司 (Nanjing Kechen Real Estate Development Co., Ltd.*)	Set up	December 23, 2019	572,400,000.00	53.00%
南京科润房地产开发有限公司 (Nanjing Kerun Real Estate Development Co., Ltd.*)	Set up	April 22, 2019		100.00%
南京骐骥建筑工程有限责	Set up	March 4, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
任公司 (Nanjing Qiji Construction Engineering Co., Ltd.*)				
平湖悦泽房地产开发有限公司 (Pinghu Yueze Real Estate Development Co., Ltd.*)	Set up	May 5, 2019	20,000,000.00	100.00%
泰兴百俊房地产开发有限公司 (Taixing Baijun Real Estate Development Co., Ltd.*)	Set up	May 7, 2019	50,000,000.00	100.00%
宿迁常俊房地产开发有限公司 (Suqian Changjun Real Estate Development Co., Ltd.*)	Set up	May 29, 2019	504,269,425.80	51.00%
盐城百俊房地产开发有限公司 (Yancheng Baijun Real Estate Development Co., Ltd.*)	Set up	April 26, 2019		100.00%
镇江科生房地产开发有限公司 (Zhenjiang Kesheng Real Estate Development Co., Ltd.*)	Set up	April 17, 2019	153,011,040.00	60.00%
化州市金瀚房地产开发有限公司 (Huazhou Jinhan Real Estate Development Co., Ltd.*)	Set up	June 27, 2019	30,000,000.00	100.00%
韶关市金烁房地产开发有限公司 (Shaoguan Jinshuo Real Estate Development Co., Ltd.*)	Set up	December 12, 2019		100.00%
重庆骐鼎建设工程管理有限公司 (Chongqing Qiding Construction Engineering Management Co., Ltd.*)	Set up	March 26, 2019		100.00%
赣州金高房地产开发有限公司 (Ganzhou Jingao Real Estate Development Co., Ltd.*)	Set up	June 24, 2019	150,000,000.00	60.00%
九江金晨房地产开发有限公司 (Jiujiang Jincheng Real Estate Development Co., Ltd.*)	Set up	May 6, 2019	121,278,000.00	51.00%
南昌金坚房地产开发有限公司 (Nanchang Jinjian Real Estate Development Co., Ltd.*)	Set up	May 7, 2019	20,000,000.00	100.00%
南昌金莱佳商业管理有限公司 (Nanchang Jinlaijia Business Management Co., Ltd.*)	Set up	April 29, 2019		100.00%
南昌金展房地产开发有限公司 (Nanchang Jinzhan Real Estate Development Co., Ltd.*)	Set up	June 28, 2019		100.00%
南昌联锦房地产开发有限公司 (Nanchang Lianjin Real Estate Development	Set up	July 18, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Co., Ltd.*)				
修水县金信财富房地产开发有限公司 (Xiushui Jinxin Fortune Real Estate Development Co., Ltd.*)	Set up	July 3, 2019	35,821,500.00	50.10%
重庆金科天元道酒店有限公司 (Chongqing Jinke Tianyuan Road Hotel Co., Ltd.*)	Set up	October 18, 2019		100.00%
青岛金丰鑫商业管理有限公司 (Qingdao Jinfengxin Business Management Co., Ltd.*)	Set up	May 17, 2019		100.00%
临沂百俊房地产发展有限公司 (Linyi Baijun Real Estate Development Co., Ltd.*)	Set up	April 23, 2019		100.00%
临沂金科城投产业发展有限公司 (Linyi Jinke City Investment Industry Development Co., Ltd.*)	Set up	May 7, 2019		90.00%
枣庄百俊房地产开发有限公司 (Zaozhuang Baijun Real Estate Development Co., Ltd.*)	Set up	July 4, 2019	7,402,500.00	73.00%
济南金泉房地产开发有限公司 (Jinan Jinquan Real Estate Development Co., Ltd.*)	Set up	April 4, 2019	149,762,000.00	70.00%
聊城市金民房地产开发有限公司 (Liaocheng Jinmin Real Estate Development Co., Ltd.*)	Set up	April 17, 2019	10,000,000.00	51.00%
山东鲁中金科房地产发展有限公司 (Shandong Luzhong Jinke Real Estate Development Co., Ltd.*)	Set up	April 12, 2019		100.00%
潍坊百俊房地产开发有限公司 (Weifang Baijun Real Estate Development Co., Ltd.*)	Set up	May 9, 2019	35,000,000.00	70.00%
淄博华弘商业管理有限公司 (Zibo Huahong Business Management Co., Ltd.*)	Set up	May 15, 2019		100.00%
重庆辰钰进商业管理有限公司 (Chongqing Chenyujin Business Management Co., Ltd.*)	Set up	October 16, 2019		100.00%
重庆鼎庆坤商业管理有限公司 (Chongqing Dingqingkun Business Management Co., Ltd.*)	Set up	October 15, 2019		100.00%
重庆金科同辉信息技术服务有限公司 (Chongqing Jinke Tonghui Information Technology Service Co., Ltd.*)	Set up	October 28, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
重庆金科喆美商业运营管理有限公司 (Chongqing Jinke Zhemei Commercial Operation Management Co., Ltd.*)	Set up	September 4, 2019		100.00%
重庆缘生隆商业管理有限公司 (Chongqing Yuanshenglong Business Management Co., Ltd.*)	Set up	October 16, 2019		100.00%
汕头金科房地产开发有限公司 (Shantou Jinke Real Estate Development Co., Ltd.*)	Set up	November 29, 2019		100.00%
上海金科文化旅游发展集团有限公司 (Shanghai Jinke Cultural Tourism Development Group Co., Ltd.*)	Set up	February 1, 2019		100.00%
大方金科巨人物业服务服务有限公司 (Dafang Jinke Giant Property Service Co., Ltd.*)	Set up	January 28, 2019		51.00%
贵州金科天晟物业服务有限责任公司 (Guizhou Jinke Tiansheng Property Service Co., Ltd.*)	Set up	June 17, 2019		51.00%
湖北金科财智经营管理有限公司 (Hubei Jinke Caizhi Management Co., Ltd.*)	Set up	August 9, 2019		60.00%
金松商业保理有限公司 (Jinsong Commercial Factoring Co., Ltd.*)	Set up	April 4, 2019	50,000,000.00	75.00%
昆明金科润景物业服务服务有限公司 (Kunming Jinke Runjing Property Service Co., Ltd.*)	Set up	May 20, 2019	15,300.00	51.00%
陕西金科汉家物业服务服务有限公司 (Shaanxi Jinke Hanjia Property Service Co., Ltd.*)	Set up	May 24, 2019		51.00%
四川省金科融城物业服务服务有限公司 (Sichuan Jinke Rongcheng Property Service Co., Ltd.*)	Set up	March 30, 2019		51.00%
威海金瀚物业服务服务有限公司 (Weihai Jinhan Property Service Co., Ltd.*)	Set up	May 17, 2019	510,000.00	51.00%
宜昌市金科商汇商业管理有限公司 (Yichang Jinke Shanghui Commercial Management Co., Ltd.*)	Set up	February 13, 2019		51.00%
云南金科银泰物业服务服务有限公司 (Yunnan Jinke Intime Property Service Co., Ltd.*)	Set up	June 6, 2019		51.00%
郑州市圃苑金豫物业服务服务有限公司 (Zhengzhou	Set up	May 10, 2019		60.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Puyuan Jinyu Property Service Co., Ltd.*)				
重庆金螳螂广告有限公司 (Chongqing Golden Mantis Advertising Co., Ltd.*)	Set up	March 8, 2019	255,000.00	51.00%
重庆金晓心悦餐饮管理有限公司 (Chongqing Jinxiao Xinyue Catering Management Co., Ltd.*)	Set up	March 14, 2019	2,000,000.00	75.00%
遵义金科福家物业服务服务有限公司 (Zunyi Jinke Fujia Property Service Co., Ltd.*)	Set up	April 23, 2019		51.00%
成都金昱诚房地产开发有限公司 (Chengdu Jinyucheng Real Estate Development Co., Ltd.*)	Set up	April 4, 2019	20,000,000.00	100.00%
达州金科宏泰房地产开发有限公司 (Dazhou Jinke Hongtai Real Estate Development Co., Ltd.*)	Set up	November 28, 2019		100.00%
邻水金成房地产开发有限公司 (Linshui Jincheng Real Estate Development Co., Ltd.*)	Set up	March 14, 2019	20,000,000.00	100.00%
邻水金泰盛房地产开发有限公司 (Linshui Jintaisheng Real Estate Development Co., Ltd.*)	Set up	November 26, 2019	45,900,000.00	51.00%
泸州金南房地产开发有限公司 (Luzhou Jinnan Real Estate Development Co., Ltd.*)	Set up	May 28, 2019		100.00%
南充金科弘泰房地产开发有限公司 (Nanchong Jinke Hongtai Real Estate Development Co., Ltd.*)	Set up	May 15, 2019	20,000,000.00	100.00%
南充金科弘鑫房地产开发有限公司 (Nanchong Jinke Hongxin Real Estate Development Co., Ltd.*)	Set up	May 9, 2019	20,000,000.00	100.00%
内江金福顺企业管理有限公司 (Neijiang Jinfushun Enterprise Management Co., Ltd.*)	Set up	January 4, 2019		100.00%
内江金科弘景房地产开发有限公司 (Neijiang Jinke Hongjing Real Estate Development Co., Ltd.*)	Set up	March 14, 2019	19,845,836.69	99.22%
陕西科骏房地产开发有限公司 (Shaanxi Kejun Real Estate Development Co., Ltd.*)	Set up	January 7, 2019		100.00%
陕西科悦房地产开发有限公司 (Shaanxi Keyue Real Estate Development Co., Ltd.*)	Set up	February 13, 2019		100.00%
射洪金科弘景房地产开发有限公司 (Shehong Jinke	Set up	July 1, 2019		100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Hongjing Real Estate Development Co., Ltd.*)				
遂宁金泰辉企业管理服务有限公司 (Suining Jintaihui Enterprise Management Service Co., Ltd.*)	Set up	January 7, 2019		100.00%
西安金昱嘉房地产开发有限公司 (Xi'an Jinyujia Real Estate Development Co., Ltd.*)	Set up	July 11, 2019		60.00%
宜宾金驰房地产开发有限公司 (Yibin Jinchi Real Estate Development Co., Ltd.*)	Set up	March 14, 2019	19,797,921.35	98.99%
宜宾市金北房地产开发有限公司 (Yibin Jinbei Real Estate Development Co., Ltd.*)	Set up	December 13, 2019		100.00%
桂林金科永润房地产开发有限公司 (Guilin Jinke Yongrun Real Estate Development Co., Ltd.*)	Set up	December 3, 2019		100.00%
南宁金盛泓房地产开发有限公司 (Nanning Jinshenghong Real Estate Development Co., Ltd.*)	Set up	April 10, 2019	123,000,000.00	60.00%
南宁金盛坤房地产开发有限公司 (Nanning Jinshengkun Real Estate Development Co., Ltd.*)	Set up	June 14, 2019		100.00%
南宁金盛兴房地产开发有限公司 (Nanning Jinshengxing Real Estate Development Co., Ltd.*)	Set up	April 10, 2019	171,870,000.00	51.00%
南宁金卓辉房地产有限公司 (Nanning Jinzhuohui Real Estate Co., Ltd.*)	Set up	October 18, 2019		100.00%
玉林市金凯瑞房地产开发有限责任公司 (Yulin Jinkairui Real Estate Development Co., Ltd.*)	Set up	January 31, 2019	29,366,850.00	97.89%
玉溪金嘉房地产开发有限公司 (Yuxi Jinjia Real Estate Development Co., Ltd.*)	Set up	March 15, 2019	20,000,000.00	100.00%
玉溪金科骏成房地产开发有限公司 (Yuxi Jinke Juncheng Real Estate Development Co., Ltd.*)	Set up	March 28, 2019	20,000,000.00	100.00%
玉溪金科骏达房地产开发有限公司 (Yuxi Jinke Junda Real Estate Development Co., Ltd.*)	Set up	March 28, 2019	20,000,000.00	100.00%
玉溪金科骏耀房地产开发有限公司 (Yuxi Jinke Junyao Real Estate Development Co., Ltd.*)	Set up	March 28, 2019	20,000,000.00	100.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
玉溪金志房地产开发有限公司 (Yuxi Jinzhi Real Estate Development Co., Ltd.*)	Set up	May 28, 2019	20,000,000.00	100.00%
昭通市金科房地产开发有限公司 (Zhaotong Jinke Real Estate Development Co., Ltd.*)	Set up	July 8, 2019	8,002,850.00	85.00%
杭州金谊商务咨询有限公司 (Hangzhou Jinyi Business Consulting Co., Ltd.*)	Set up	March 7, 2019		100.00%
杭州科昉商务咨询有限公司 (Hangzhou Kefang Business Consulting Co., Ltd.*)	Set up	March 7, 2019		100.00%
杭州科玥商务咨询有限公司 (Hangzhou Keyue Business Consulting Co., Ltd.*)	Set up	March 7, 2019		100.00%
宁波金昇置业有限公司 (Ningbo Jinsheng Real Estate Co., Ltd.*)	Set up	January 7, 2019	50,000,000.00	99.39%
宁波金希房地产开发有限公司 (Ningbo Jinxi Real Estate Development Co., Ltd.*)	Set up	March 13, 2019		100.00%
平阳金瑞房地产开发有限公司 (Pingyang Jinrui Real Estate Development Co., Ltd.*)	Set up	April 16, 2019		100.00%
永嘉鸿科置业有限公司 (Yongjia Hongke Real Estate Co., Ltd.*)	Set up	July 29, 2019		50.10%
焦作金上百世房地产开发有限公司 (Jiaozuo Jinshang Baishi Real Estate Development Co., Ltd.*)	Set up	April 10, 2019		100.00%
洛阳金隆千都置业有限公司 (Luoyang Jinlong Qiandu Real Estate Co., Ltd.*)	Set up	January 25, 2019	471,076,800.00	51.00%
南阳金启盛世房地产开发有限公司 (Nanyang Jinqi Shengshi Real Estate Development Co., Ltd.*)	Set up	October 18, 2019	220,500,000.00	70.00%
许昌金宏房地产有限公司 (Xuchang Jinhong Real Estate Co., Ltd.*)	Set up	May 10, 2019	50,000,000.00	100.00%
宜阳县金隆千科置业有限责任公司 (Yiyang Jinlong Qianke Real Estate Co., Ltd.*)	Set up	May 20, 2019		100.00%
荥阳金科房地产开发有限公司 (Xingyang Jinke Real Estate Development Co., Ltd.*)	Set up	April 2, 2019	100,000,000.00	100.00%
安顺金嘉澳实业有限公司	Set up	April 1, 2019		60.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
(Anshun Jinjia'ao Industrial Co., Ltd.*)				
安顺金科澳维房地产开发有限公司 (Anshun Jinke Aowei Real Estate Development Co., Ltd.*)	Set up	April 1, 2019	18,000,000.00	60.00%
乐至县至庆房地产开发有限公司 (Lezhi County Zhiqing Real Estate Development Co., Ltd.*)	Set up	April 19, 2019		90.00%
仁怀博达房地产开发有限公司 (Renhuai Boda Real Estate Development Co., Ltd.*)	Set up	August 21, 2019	176,000,000.00	80.00%
重庆昌立房地产开发有限公司 (Chongqing Changli Real Estate Development Co., Ltd.*)	Set up	December 10, 2019	133,000,000.00	70.00%
重庆高骏房地产开发有限公司 (Chongqing Gaojun Real Estate Development Co., Ltd.*)	Set up	May 28, 2019	71,400,000.00	51.00%
重庆金贝永合房地产开发有限公司 (Chongqing Jinbei Yonghe Real Estate Development Co., Ltd.*)	Set up	April 24, 2019	107,610,000.00	51.00%
重庆金达科畅房地产开发有限公司 (Chongqing Jinda Kechang Real Estate Development Co., Ltd.*)	Set up	April 2, 2019		100.00%
重庆金达润房地产开发有限公司 (Chongqing Jindarun Real Estate Development Co., Ltd.*)	Set up	April 19, 2019	300,000,000.00	60.00%
重庆金恒瑞房地产开发有限公司 (Chongqing Jinhengrui Real Estate Development Co., Ltd.*)	Set up	December 12, 2019		100.00%
重庆金开睿腾房地产开发有限公司 (Chongqing Jinkai Ruiteng Real Estate Development Co., Ltd.*)	Set up	October 23, 2019		100.00%
重庆金美园房地产开发有限公司 (Chongqing Jinmeiyuan Real Estate Development Co., Ltd.*)	Set up	April 26, 2019	517,650,000.00	51.00%
重庆金荣和盛房地产开发有限公司 (Chongqing Jinrong Hesheng Real Estate Development Co., Ltd.*)	Set up	May 20, 2019	311,150,000.00	70.00%
重庆诺奥商业管理有限公司 (Chongqing Nuao Business Management Co., Ltd.*)	Set up	August 13, 2019		100.00%
重庆市金帛锦房地产开发有限公司 (Chongqing Jinbojin Real Estate	Set up	June 26, 2019	142,800,000.00	51.00%

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Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion (%)
Development Co., Ltd.*)				
重庆市金云凌房地产开发有限公司 (Chongqing Jinyunling Real Estate Development Co., Ltd.*)	Set up	July 16, 2019	182,000,000.00	65.00%
重庆金煜辉房地产开发有限公司 (Chongqing Jinyuhui Real Estate Development Co., Ltd.*)	Set up	June 6, 2019		50.00%
重庆万弘久企业管理有限公司 (Chongqing Wanhongjiu Enterprise Management Co., Ltd.*)	Set up	December 6, 2019		51.00%
重庆智骐商业管理有限公司 (Chongqing Zhiqi Business Management Co., Ltd.*)	Set up	November 6, 2019	765,000,000.00	51.00%
遵义茂骏房地产开发有限公司 (Zunyi Maojun Real Estate Development Co., Ltd.*)	Set up	April 1, 2019	20,000,000.00	100.00%
遵义葳骏房地产开发有限公司 (Zunyi Weijun Real Estate Development Co., Ltd.*)	Set up	April 1, 2019	20,000,000.00	100.00%
重庆正观佳地建筑设计有限公司 (Chongqing Zhengguan Jiadi Architectural Design Co., Ltd.*)	Set up	July 26, 2019	1,000,000.00	100.00%
陕西郡华府房地产开发有限公司 (Shaanxi Junhuafu Real Estate Development Co., Ltd.*)	Set up	December 2, 2019		100.00%
江苏珺璟房地产开发有限公司 (Jiangsu Junjing Real Estate Development Co., Ltd.*)	Set up	November 26, 2019		100.00%
遵义金科佳驿物业服务服务有限公司 (Zunyi Jinke Jiayi Property Service Co., Ltd.*)	Set up	December 11, 2019		51.00%
重庆金科乡村供应链管理服务有限公司 (Chongqing Jinke Village Supply Chain Management Co., Ltd.*)	Set up	October 30, 2019		61.00%
重庆晨兴商业管理有限公司 (Chongqing Chenxing Business Management Co., Ltd.*)	Set up	December 26, 2019		100.00%

2. Entities excluded from the consolidation scope

Entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to disposal date
Qianshang Real Estate	[Note]	June 30, 2019	108,113,591.95	-2,626,880.76
Jinshang Baishi	[Note]	June 30, 2019	111,487,234.24	19,204,358.78

* The English names are for identification purpose only.

Entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to disposal date
Dalian Hongkun	[Note]	June 30, 2019	81,176,700.35	-4,857,430.19
Hunan Jinke	[Note]	January 1, 2019	1,430,779,514.45	
Jurong Ruihan	[Note]	December 31, 2019	207,307,387.68	-12,132,973.42
唐山金轩企业管理咨询有限公司 (Tangshan Jinxuan Enterprise Management Consulting Co., Ltd.*)	Cancellation	July 10, 2019		-560.00
太原科卓企业管理有限公司 (Taiyuan Kezhuo Enterprise Management Co., Ltd.*)	Cancellation	July 29, 2019		112.50
石家庄科卓企业管理咨询有限公司 (Shijiazhuang Kezhuo Enterprise Management Consulting Co., Ltd.*)	Cancellation	October 10, 2019		420.00
济南星盛商业管理有限公司 (Ji'nan Xingsheng Commercial Management Co., Ltd.*)	Cancellation	September 26, 2019		2,728.52
天津骏宇企业管理有限公司 (Tianjin Junyu Enterprise Management Co., Ltd.*)	Cancellation	July 31, 2019		-78.29
浏阳金科大酒店管理有限公司 (Liuyang Jinke University Hotel Management Co., Ltd.*)	Cancellation	November 14, 2019		-380,472.52

Note: According to relevant supplementary agreements, the Company no longer holds absolute controls over Qianshang Real Estate, Jinshang Baishi, Dalian Hongkun, Hunan Jinke, and Jurong Ruihan, but instead holds joint controls in the current period.

VII. Interest in other entities

(I) Interest in significant subsidiaries

1. Composition of significant subsidiaries

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
重庆金科汇茂房地产开发有限公司 (Chongqing Jinke Huimao Real Estate Development Co., Ltd.*, the "Huimao Real Estate")	Chongqing	No. 8, Fengqi Road, Caijiagang Town, Beibei District, Chongqing	Real estate industry		60.00	Set up
重庆市金科实业集团弘景房地产开发有限公司 (Chongqing Jinke Industrial Group Hongjing Real Estate Development Co., Ltd.*, the "Hongjing Real Estate")	Chongqing	Business Building, No. 19 Wuhong Road, Jiangbei District, Chongqing	Real estate industry	98.81		Set up
重庆金科竹宸置业有限公司	Chongqing	Jinkexing City, No.4 and	Real estate		100.00	Set up

* The English names are for identification purpose only.

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
司 (Chongqing Jinke Zhuchen Real Estate Co., Ltd.*)		No.5, No.184 Xinnan Road, Yubei District, Chongqing City	industry			
重庆市金科骏耀房地产开发有限公司 (Chongqing Jinke Junyao Real Estate Development Co., Ltd.*, the "Jinke Junyao")	Chongqing	Yunfeng Binhu Road, Kaixian County, Chongqing City (Jinke Kaizho City)	Real estate industry	55.00	45.00	Set up
云南金万众房地产开发有限公司 (Yunnan Jinwanzhong Real Estate Development Co., Ltd.*, the "Yunnan Jinwanzhong")	Kunming	Office Building No. 2, Liujia Village Committee, Liujia Town, Guandu District, Kunming City, Yunnan Province	Real estate industry	79.12		Set up

2. Significant not wholly-owned subsidiaries

Subsidiaries	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
Huimao Real Estate	40.00%	196,819,333.44		833,082,563.65
Yunnan Jinwanzhong	20.88%	222,755,119.98	-40,328,510.78	166,927,470.86

3. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Unit: in ten thousand yuan

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huimao Real Estate	958,649.96	226,377.29	1,185,027.25	763,670.74	145,853.34	909,524.08
Yunnan Jinwanzhong	203,295.01	185.62	203,480.63	138,355.89		138,355.89

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huimao Real Estate	1,034,810.77	174,431.87	1,209,242.64	952,097.19	32,636.07	984,733.26
Yunnan Jinwanzhong	359,184.35	4,545.24	363,729.59	330,950.15	40,000.00	370,950.15

(2) Profit or loss and cash flows

Unit: in ten thousand yuan

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Huimao Real Estate	312,721.13	98,641.29	98,641.29	148,782.92	143,584.68	53,636.17	53,636.17	-138,094.09
Yunnan Jinwanzhong	266,500.12	76,378.15	76,378.15	58,005.80	107.31	-6,395.96	-6,395.96	-13,012.20

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(II) Transactions resulting in changes in subsidiaries' equity but without losing control

1. Changes in subsidiaries' equity

Subsidiaries	Date of change	Holding proportion before change (%)	Holding proportion after change (%)
Jinke Real Estate Group Wuhan Co., Ltd.	January 1, 2019	99.75%	59.85%
湖南金科景朝产业发展有限公司 (Hunan Jinke Jingchao Industry Development Co., Ltd. *)	February 28, 2019	69.53%	47.53%
湖南金科景朝产业运营管理有限公司 (Hunan Jinke Jingchao Industry Operation Management Co., Ltd. *)	January 1, 2019	100.00%	87.25%
New Start Decoration	January 1, 2019	100.00%	75.00%
遵义宸梁房地产有限公司 (Zunyi Chenliang Real Estate Co., Ltd. *)	January 1, 2019	50.00%	100.00%

2. Effect of transactions on non-controlling interest and equity attributable to parent company

Items	Jinke Real Estate Group Wuhan Co., Ltd.	Hunan Jinke Jingchao Industry Development Co., Ltd.	Hunan Jinke Jingchao Industry Operation Management Co., Ltd.	New Start Decoration	Zunyi Chenliang Real Estate Co., Ltd.
Acquisition costs/Disposal considerations					
Cash	1,304,750,000.00	65,359,030.00			60,000,000.00
Total acquisition costs/disposal considerations	1,304,750,000.00	65,359,030.00			60,000,000.00
Less: Share in subsidiaries' net assets based on acquired/dispensed net assets proportion	951,630,285.89	26,788,534.64	495.10	1,070,074.67	55,781,695.38
Balance	353,119,714.11	38,570,495.36	-495.10	-1,070,074.67	4,218,304.62
Including: Capital reserve adjusted	353,119,714.11	38,570,495.36	-495.10	-1,070,074.67	-4,218,304.62

(III) Interest in joint venture or associates

1. Significant joint ventures or associates

The Management considers that the Company has no significant joint ventures and associates.

2. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/ Current period cumulative	Opening balance/Preceding period comparative
Joint ventures		
Total carrying amount of investments	6,041,340,200.23	3,687,840,807.30
Proportionate shares in the following items		
Net profit	330,173,981.81	-27,272,914.87
Other comprehensive income	7,813,153.67	

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Items	Closing balance/ Current period cumulative	Opening balance/Preceding period comparative
Total comprehensive income	337,987,135.48	-27,272,914.87
Associates		
Total carrying amount of investments	7,580,386,342.44	3,679,905,481.34
Proportionate shares in the following items		
Net profit	-145,574,019.91	-221,815.98
Other comprehensive income		
Total comprehensive income	-145,574,019.91	-221,815.98

3. Unrecognized commitments related to investments in joint ventures

The Company will provide operation funds to the joint venture in accordance with the development progress of projects as stipulated in joint venture agreement.

VIII. Risks related to financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. The Management has deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the

initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

- 1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;
- 2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;
- 3) Payment (including principal and interest) has been overdue for over 90 days.

(2) Definition of default and credit-impaired assets

A financial asset is credit-impaired when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

1) Quantitative standard

The debtor fails to make the payment over 90 days after the payment date;

2) Qualitative standard

- ① significant financial difficulty of the debtor;
- ② a breach of binding clause of contract;
- ③ it is very likely that the debtor will enter bankruptcy or other financial reorganization;
- ④ the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to section V (I) 2, 3, 4, 6, and 9 of the notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In

order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers using credit settlement on a regular basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company's credit risks fall into several business partners and customers, as of December 31 2019, 30.81% (December 31, 2018: 28.49%) of the total accounts receivable was due from the five largest customers of the Company. The Company has no significant central credit risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, trust loans, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks and trust institutions to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Unit: in ten thousand yuan

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Borrowings	7,951,078.98	8,904,657.62	3,220,444.27	5,264,727.34	419,486.01
Notes payable	750,232.77	750,232.77	750,232.77		
Accounts payable	2,354,850.06	2,354,850.06	2,354,850.06		
Other payables	1,742,680.26	1,742,680.26	1,416,884.40	325,795.86	
Bonds payable	1,891,423.40	2,067,606.62	635,520.73	1,228,789.23	203,296.66
Long-term payables	135,387.51	175,522.60	24,042.29	32,079.24	119,401.07
Subtotal	14,825,652.98	15,995,549.93	8,401,974.52	6,851,391.67	742,183.74

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Borrowings	7,085,251.54	7,950,906.49	2,608,187.44	4,779,343.67	563,375.38
Notes payable	265,997.55	265,997.55	265,997.55		
Accounts payable	1,368,124.11	1,368,124.11	1,368,124.11		
Other payables	1,262,136.77	1,262,136.77	1,262,136.77		
Bonds payable	1,119,968.33	1,179,243.41	495,698.77	683,544.64	
Long-term payables	74,619.40	94,998.28	8,809.07	18,513.57	67,675.64
Subtotal	11,176,097.70	12,121,406.61	6,008,953.71	5,481,401.88	631,051.02

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of December 31, 2019, balance of borrowings with interest accrued at floating interest rate totaled 46,850,315,400 yuan (December 31, 2018: 36,429,585,300 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity will not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. The Company is mainly operated in mainland China, whose main activities are denominated in RMB, hence, the Company bears insignificant market risk arising from foreign exchange changes.

Please refer to section V (IV) 2 of notes to financial statements for details on foreign currency financial assets and liabilities at the end of the period.

IX. Fair value disclosure

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Receivables financing			6,080,000.00	6,080,000.00
2. Other equity instrument			115,456,732.98	115,456,732.98

Items	Fair value as of the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
investments				
3. Investment property		8,324,103,937.62		8,324,103,937.62
Total liabilities at recurring fair value measurement		8,324,103,937.62	121,536,732.98	8,445,640,670.60

(II) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

As all the Company's investment properties are commercial real estate and affiliated garages, of which the cost cannot reflect fair value, cost method is not adopted. Based on the actual situation of investment properties, for small commercial properties, as there is active trading market nearby and it is easy to find transaction examples of similar real estates, market method is adopted for valuation; for big commercial properties with no similar transaction examples, as there is active leasing market nearby and some leased buildings are under long-term lease contracts, income method is adopted for valuation.

(III) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. For notes receivable held, the par value is used to determine the fair value;
2. For other equity instrument investments, as there is no significant changes in operating environment and conditions, and financial position of the investees in the current period, the Company uses carrying amount of investment costs as a reasonable estimate of the fair value.

X. Related party relationships and transactions

(I) Related party relationships

1. Major shareholders

Shareholders	Place of registration	Business nature
重庆市金科投资控股（集团）有限责任公司 (Chongqing Jinke Investment Holdings (Group) Co., Ltd.*, the "Jinke Investment")	No. 38, Hefeng Avenue, Xincheng District, Fuling District, Chongqing	Investment business and investment management consulting services
天津聚金物业管理有限公司 (Tianjin Jujin Property Management Co., Ltd.*)	No.8, Xinghua Seventh Branch Road, Xiqing Economic Development Zone, Tianjin	Property management and related infrastructure development, construction and operation management

(Continued)

Shareholders	Registered capital (in ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)	Remarks
Jinke Investment	5,000			[Note 1]
Tianjin Jujin Property Management Co., Ltd.	600			[Note 2]

Note 1: As of December 31, 2019, Jinke Investment, 黄红云 (Huang Hongyun), 陶虹遐 (Tao

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Hongxia) and 黄斯诗 (Huang Si'te) respectively hold 14.20%, 10.98%, 2.49%, 2.32% equity of the Company. Huang Hongyun and Tao Hongxia together hold 100% equity of Jinke Investment. In addition, Tao Hongxia and Huang Si'te are the persons acting in concert with Huang Hongyun. As these three persons directly and indirectly hold 1,601,515,668 shares, which is 29.99% equity of the Company in total and have majority seats in the Board of Directors. Therefore, Huang Hongyun is the Company's actual controller.

Note 2: As of December 31, 2019, Tianjin Jujin Property Management Co., Ltd., 天津润泽物业管理有限公司 (Tianjin Runze Property Management Co., Ltd.*, the "Tianjin Runze") and 天津润鼎物业管理有限公司 (Tianjin Runding Property Management Co., Ltd.*, the "Tianjin Runding"), which are controlled by 融创中国控股有限公司 (Sunac China Holdings Limited*), hold 1,567,239,719 shares of the Company, with holding proportion of 29.35%. The actual controller of Sunac China Holdings Limited is 孙宏斌 (Sun Hongbin).

2. Please refer section VII of notes to financial statements for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

Please refer to section VII of notes to financial statements for details on the Company's significant joint ventures and associates. Except for the joint ventures and associates disclosed in V (I) 11, details of other joint ventures or associates carrying out related party transactions with the Company in current period or in preceding period but with balance in current period are as follows:

Joint ventures or associates	Relationships with the Company
广西淼泰房地产投资有限公司 (Guangxi Miaotai Real Estate Investment Co., Ltd.*, the "Guangxi Miaotai")	Associate
南宁市玉桶金房地产开发有限责任公司 (Nanning Yutongjin Real Estate Development Co., Ltd.*, the "Nanning Yutongjin")	Associate
上海珑竣房地产开发有限公司 (Shanghai Longjun Real Estate Development Co., Ltd.*, the "Shanghai Longjun")	Associate
重庆金科金教育信息咨询服务有限公司 (Chongqing Jinke Golden Education Information Consulting Service Co., Ltd.*, the "Jinke Golden Education")	Associate
重庆汇典三色教育信息咨询服务有限公司 (Chongqing Huidian Sanse Education Information Consulting Service Co., Ltd.*, the "Huidian Sanse")	Associate
Wujiaqu Jinke	Associate [Note 1]
Jinke Yutai	Associate [Note 1]
Jinke Kuntai	Associate [Note 1]

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Joint ventures or associates	Relationships with the Company
沈阳骏宇房地产开发有限公司 (Shenyang Junyu Real Estate Development Co., Ltd.*, the “Shenyang Junyu”)	[Note 2]
河南中建锦伦置业有限公司 (Henan Zhongjian Jinlun Real Estate Co., Ltd.*, the “Zhongjian Jinlun”)	[Note 3]
天津骏业共创置业有限公司 (Tianjin Junye Gongchuang Real Estate Co., Ltd.*, the “Tianjin Junye”)	[Note 4]
大连丰茂置业有限公司 (Dalian Fengmao Property Co., Ltd.*, the “Dalian Fengmao”)	[Note 5]
成都国色天乡旅游投资有限公司 (Chengdu Guose Tianxiang Tourism Investment Co., Ltd.*, the “Guose Tianxiang”)	[Note 6]
温岭滨锦房地产开发有限公司 (Wenling Binjin Real Estate Development Co., Ltd.*, the “Wenling Binjin”)	[Note 7]
温州市凯壹置业有限公司 (Wenzhou Kaiyi Property Co., Ltd.*, the “Wenzhou Kaiyi”)	[Note 8]

Note 1: Its shares are held by 重庆市中科控股有限公司 (Chongqing Zhongke Holdings Co., Ltd.*), which is controlled by 黄一峰 (Huang Yifeng), the brother of the Company’s actual controller Huang Hongyun.

Note 2: It is the wholly-owned subsidiary of the associate Tianjin Jiabo.

Note 3: It is the holding subsidiary of the joint venture Yuanwei Consulting.

Note 4: It is the wholly-owned subsidiary of the joint venture Chuangliang Investment.

Note 5: It is the holding subsidiary of the joint venture Dalian Hongkun.

Note 6: It is the holding subsidiary of the joint venture Jinke Zhixin.

Note 7: It is the wholly-owned subsidiary of the associate Hangzhou Binxin.

Note 8: It is the wholly-owned subsidiary of the associate Wenzhou Geyang.

4. Other related parties of the Company

(1) Details

Other related parties	Relationships with the Company
Chongqing Zhongke Holdings Co., Ltd.	[Note 1]
重庆市中科建设（集团）有限公司 (Chongqing Zhongke Construction (Group) Co., Ltd.*, the “Zhongke Group”)	[Note 1]
重庆市神龙建设工程有限公司 (Chongqing Shenlong Construction Engineering Co., Ltd.*, the “Shenlong Group”)	[Note 1]
重庆展禾农业发展有限公司 (Chongqing Zhanhe Agricultural Development Co., Ltd.*, the “Zhanhe Agricultural”)	[Note 1]
重庆涪商投资控股集团股份有限公司 (Chongqing Fushang Investment Holding Group Co., Ltd.*, the “Fushang Investment”)	[Note 1]

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Other related parties	Relationships with the Company
重庆美坤实业有限公司 (Chongqing Meikun Industrial Co., Ltd.* , the “Meikun Industrial”)	[Note 1]
重庆星坤房地产开发有限公司(Chongqing Xingkun Real Estate Development Co., Ltd.* , the “Xingkun Real Estate”)	[Note 1]
重庆齐祥房地产开发有限公司(Chongqing Qixiang Real Estate Development Co., Ltd.* , the “Chongqing Qixiang”)	[Note 1]
重庆黔鹏物业管理有限公司(Chongqing Qianpeng Property Management Co., Ltd.* , the “Qianpeng Property”)	[Note 1]
新疆金科宇坤房地产开发有限公司(Xinjiang Jinke Yukun Real Estate Development Co., Ltd.* , the “Jinke Yukun”)	[Note 1]
重庆财聚投资有限公司 (Chongqing Caiju Investment Co., Ltd.* , the “Caiju Investment”)	Controlled by the Company’s actual controller
重庆两江新区科易小额贷款有限公司 (Chongqing Liangjiang New Area Keyi Micro-Credit Co., Ltd.* , the “Keyi Micro-Credit”)	Controlled by the Company’s actual controller
重庆市金科商业保理有限公司 (Chongqing Jinke Commercial Factoring Co., Ltd.* , the “Jinke Commercial Factoring”)	Controlled by the Company’s actual controller
无锡融创城市建设有限公司 (Wuxi Sunac Urban Construction Co., Ltd.* , the “Wuxi Sunac Construction”)	[Note 2]
无锡融创地产有限公司 (Wuxi Sunac Real Estate Co., Ltd.* , the “Wuxi Sunac Real Estate”)	[Note 2]
Tianjin Runding	[Note 2]
Tianjin Runze	[Note 2]
重庆航星实业有限公司(Chongqing Hangxing Industrial Co., Ltd.* , the “Chongqing Hangxing”)	[Note 3]
天津金福顺企业管理合伙企业（有限合伙） (Tianjin Jinfushun Enterprise Management Partnership Enterprise (LP)* , the “Tianjin Jinfushun”)	[Note 4]
重庆新宜汇实业有限公司 (Chongqing Xinyihui Industrial Co., Ltd.* the “Chongqing Xinyihui”)	[Note 5]
周达 (Zhou Da), 李媛 (Li Yuan)	[Note 6]
方明富 (Fang Mingfu), 陈中容 (Chen Zhongrong)	Co-president of the Company and his spouse
李晓燕 (Li Xiaoyan), 喻焕楚 (Yu Huanchu)	Spouse and son of Mr. Yu Linqiang, the President of the Company
艾国光 (Ai Guoguang)	Father of Mr. Ai Zhaoqing, the Supervisor of the Company
何蓉 (He Rong)	Spouse of Mr. Hanchong, the Employee Supervisor of the Company
刘静 (Liu Jing)	Director of the Company

Note 1: It is directly or indirectly controlled by Mr. Huang Yifeng, who is the brother of Company’s actual controller Mr. Huang Hongyun.

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Note 2: It is controlled by the actual controller of the Company's major shareholder Tianjin Jujin Property Management Co., Ltd.

Note 3: It is renamed from 重庆天豪虹淘实业有限公司 (Chongqing Tianhao Hongtao Industrial Co., Ltd.*) and controlled by Ms. Tao Hongxia, the person who acts in concert with the Company's actual controller.

Note 4: It is the partnership jointly invested by directors and senior executives of the Company for project investment.

Note 5: It is controlled by Ms. Tao Hongxia, the person who acts in concert with the Company's actual controller.

Note 6: Zhou Da is former employee supervisor of the Company and Li Yuan is his spouse. Since February 22, 2019, Mr. Zhouda is no longer the employee director of the Company.

(II) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

(1) Purchase of goods and receiving of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Hangxing	Receiving of services	134,276,381.11	131,772,288.88
Qianpeng Property	Receiving of services	1,150,943.40	
Subtotal		135,427,324.51	131,772,288.88

(2) Sale of goods and rendering of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Ai Guoguang	Sale of goods	867,445.45	
Anqing Jinshixiang	Rendering of services	566,037.74	
Binzhou Baochi	Rendering of services	269,559.15	
Caiju Investment	Rendering of services	697,247.71	47,169.81
Changde Dingye	Sale of goods and rendering of services	6,896,546.21	
Changzhou Baijun	Sale of goods and rendering of services	12,254,498.85	3,501,455.66
Changzhou Jinke	Sale of goods and rendering of services	5,049,150.24	1,163,142.80
Changzhou Liangyue	Rendering of services	3,388,043.79	
Changzhou Meike	Rendering of services	7,580,712.42	
Changzhou Tianchen	Rendering of services	7,754,716.98	53,700.57
Chengdu Lingpao	Rendering of services	3,779,863.07	1,116,519.85
Chengdu Shengbu	Rendering of services	2,626,415.08	4,690,055.97

* The English name is for identification purpose only.

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chengdu Yizhi Xingyi	Rendering of services	3,551,088.22	
Dalian Hongkun	Sale of goods and rendering of services	1,542,087.64	
Fang Mingfu, Chen Zhongrong	Sale of goods	6,967,891.74	800,060.00
Foshan Jinji	Rendering of services	2,349,900.44	
Fushang Investment	Sale of goods		2,767.92
Fujian Hilton	Rendering of services	2,394,915.31	431,655.63
Gongyibixin Property	Rendering of services	266,752.92	
Guangxi Miaotai	Rendering of services	25,556,744.84	218,721.18
Henan Guofengyuan	Rendering of services		68,669.53
Guokong Lancheng	Rendering of services	2,582,164.65	3,023,441.05
Guose Tianxaing	Rendering of services	330,188.67	
Handan Rongkai	Sale of goods	1,776,949.36	
Hangzhou Jinyu	Rendering of services	3,971,003.16	
Hefei Bihe	Sale of goods and rendering of services	8,013,364.83	848,516.88
Hefei Chang'en	Rendering of services	4,367,005.67	
He Rong	Sale of goods	2,203,492.66	
Hengyang Dingheng	Rendering of services	718,294.09	
Hunan Jinke	Sale of goods and rendering of services	18,553,549.87	
Huarong Bicheng	Rendering of services	640,119.87	
Ji'an Jinchen	Rendering of services	1,628,905.65	
Jiashan Shengtai	Rendering of services	3,971,128.23	4,152,038.26
Jiashan Tianchen	Sale of goods and rendering of services	12,394,783.03	12,488,314.84
Chongqing Jinjiahai	Sale of goods and rendering of services	7,067,078.88	9,343,371.97
Jinke Junzhi	Sale of goods and rendering of services	137,179,136.62	1,261,265.07
Jinke Commercial Factoring	Rendering of services	17,830.20	13,867.92
Jinke Investment	Rendering of services	10,896.19	16,792.45
Jinke Yukun	Rendering of services	60,407.55	
Jinke Yutai	Rendering of services	304,910.38	2,758,203.23
Jinshang Baishi	Sale of goods and rendering of services	11,078,988.19	
Jurong Ruihan	Rendering of services	423,775.71	
Keyi Micro-Credit	Sale of goods and rendering of services	60,247.09	38,301.85
Kunxiang Yutang	Rendering of services	13,368,032.33	8,111,111.19

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Lanxi Hongke	Rendering of services	471,698.12	
Lanxi Zhongliang	Sale of goods and rendering of services	2,231,006.92	
Liaocheng Rongshun	Rendering of services	2,428,021.70	
Linquan Jiarun	Rendering of services	18,031,209.75	
Luohe Changjian Ronglian	Sale of goods and rendering of services	2,549,920.39	
Meikun Industrial	Rendering of services	101,777.93	
Nanjing Yuhong	Rendering of services	3,516,280.05	2,102,187.81
Nanning Jinhongsheng	Rendering of services	2,735,849.06	
Nanning Yaoxin	Rendering of services	611,995.63	
Nanning Yutongjin	Sale of goods and rendering of services	57,874,622.62	1,740,128.02
Qianshang Real Estate	Rendering of services	6,026,341.50	
Qingdao Shimao Boxi	Rendering of services	1,582,570.90	
Shanghai Longjun	Rendering of services	951,431.50	
Shangrao Yuesheng	Rendering of services	3,084,099.78	
Shengyang Junyu	Rendering of services	177,626.84	
Shijiazhaung Jinke	Sale of goods and rendering of services	16,639,082.39	8,920,843.50
Shijiazhaung Tianyao	Sale of goods and rendering of services	15,617,577.07	215,579.53
Suzhou Tianchen	Rendering of services	1,968,602.95	2,433,957.54
Tai'an Jinyanghua	Rendering of services	1,147,507.51	
Wenzhou Kaiyi	Rendering of services	1,742,452.83	
Wujiaqu Jinke	Rendering of services	11,133,468.37	6,850,968.79
Xinhaihui Property	Rendering of services	84,063.96	4,228,307.38
Xingkun Real Estate	Rendering of services	1,807,453.47	
Suzhou Xincheng Jinyue	Sale of goods and rendering of services	44,959,265.53	
Xuchang Jinyao	Rendering of services	1,292,228.43	411,272.74
Yidu Jiaotou Jinwei	Rendering of services	4,672,499.34	
Yiwu Lianxiang	Rendering of services	92,029.52	
Yulin Longhe	Sale of goods and rendering of services	10,661,339.41	
Li Xiaoyan, Yu Huanchu	Sale of goods	10,473,623.85	
Yueyang Dingyue	Rendering of services	1,913,176.42	340,635.53
Yunnan Chengding	Rendering of services	717,389.33	294,904.92
Yunnan Jiaxun	Sale of goods and rendering of services	1,763,566.81	496,367.92

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Yunnan Jinhongya	Sale of goods and rendering of services	12,570,925.72	
Zhengzhou Xinyinke	Sale of goods and rendering of services	44,193,479.78	29,414,231.27
Zhongjian Jinlun	Rendering of services	7,810,225.71	5,477,651.39
Zhongke Group	Rendering of services	203,585.42	23,163.21
Chongqing Zhongke Holdings Co., Ltd.	Rendering of services	94,339.62	
Zhongshu Property	Sale of goods and rendering of services	4,430,498.54	16,858,784.04
Chongqing Bijiyai	Rendering of services	2,624,683.53	2,436,086.93
Chongqing Bijinhui	Rendering of services	5,793,942.60	6,380,850.35
Chongqing Hangxing	Rendering of services	80,427.63	14,376.21
Chongqing Jinbihui	Rendering of services	5,519,585.31	6,150,864.05
Chongqing Jinbimao	Rendering of services	727,139.39	2,237,094.48
Chongqing Jinjiahe	Sale of goods and rendering of services	247,780,333.97	345,269,938.79
Chongqing Jinjianglian	Rendering of services	52,173,108.06	90,225.75
Chongqing Jinmeibi	Rendering of services	8,102,546.84	943,396.22
Chongqing Jinnan Shengtang	Rendering of services	4,057,035.37	
Chongqing Jinyuehui	Rendering of services	88,703.60	
Chongqing Meichengjin	Rendering of services	4,807,444.35	
Chongqing Meike	Rendering of services	16,161,734.17	3,961,752.43
Chongqing Pinjinyue	Rendering of services	24,765,104.65	10,991,790.17
Chongqing Qixiang	Rendering of services	314,566.04	
Chongqing Shengmu	Rendering of services	5,057,226.63	7,434,701.65
Chongqing Taijun	Rendering of services	4,897,263.56	
Chongqing Whistler	Rendering of services	7,704,605.79	
Chongqing Xidao	Sale of goods and rendering of services	16,252,108.09	5,657,014.36
Chongqing Xijinlian	Sale of goods and rendering of services	20,497,957.83	6,569,712.81
Zhou Da, Li Yuan	Sale of goods		4,050,800.00
Zhumadian Bisheng	Sale of goods and rendering of services	3,910,841.81	
Zunyi Meijun	Rendering of services	2,217,394.45	1,091,110.42
Subtotal		1,056,978,459.02	537,237,841.84

2. Related party guarantees

(1) Guarantees provided by major shareholder to the Company

1) Pursuant to the Agreement on Cooperation entered into between the subsidiary Chongqing Jinke and 重庆路桥股份有限公司 (Chongqing Road & Bridge Co., Ltd.*), the “Chongqing Road & Bridge”) on December 31, 2019, Chongqing Road & Bridge paid security deposits of 400 million yuan to acquire general contracting for some pending construction projects of Chongqing Jinke and its subsidiaries. The Agreement stipulates that if two parties fail to reach an agreement on the general contracting within the three-month consultation period or make an early termination of the agreement by consensus, Chongqing Jinke will refund the cooperation deposits unconditionally, and pay capital occupation fee at the annual interest rate of 8.5%. Jinke Investment and the actual controller Huang Hongyun will provide a joint and several liability guarantee free of charge.

2) Pursuant to the Loan Agreement entered into between the subsidiary Qingke Trading and 重庆国际信托股份有限公司 (Chongqing International Trust Co., Ltd.*) on December 31, 2019, the borrowings amounted to 600 million yuan, with annual interest of 9%. Jinke Investment and the actual controller Huang Hongyun will provide a joint and several liability guarantee free of charge.

(2) Guarantees provided by the Company to investees

Proportion of the amount guaranteed by the Company to total amount	Guaranteed party	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Whether the guarantee is mature
50%	Chongqing Meike	43,750.00	21,875.00	No
50%	Chongqing Meike	51,000.00	25,500.00	No
49%	Chongqing Jinjiahai	33,900.00	16,611.00	No
20%	Chongqing Jinmeibi	17,500.00	3,500.00	No
100%	Kunxiang Yutang	20,000.00	20,000.00	No
65%	Shijiazhuang Jinke	44,500.00	28,925.00	No
75%	Shijiazhuang Tianyao	14,000.00	10,500.00	No
50%	Guokong Lancheng	10,000.00	5,000.00	No
51%	Jiashan Tianchen	17,290.00	8,817.90	No
25%	Hefei Bihe	107,900.00	26,975.00	No
100%	Zhongjian Jinlun	36,000.00	36,000.00	No
24.20%	Taicang Zhuorun	100,000.00	24,200.00	No
33.33%	Changzhou Baijun	23,000.00	7,665.90	No
20%	Chongqing Xilianjin	14,000.00	2,800.00	No
100%	Nanning Yutongjin	17,000.00	17,000.00	No
49%	Changshu Jincheng	84,802.00	41,552.98	No
35%	Chengdu Lingpao	60,000.00	21,000.00	No
100%	Guangxi Miaotai	16,339.00	16,339.00	No
51%	Chongqing Jinjiahe	69,999.00	35,699.49	No
35%	Shijiazhuang Jinhui	14,915.50	5,220.43	No

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Proportion of the amount guaranteed by the Company to total amount	Guaranteed party	Balance of obligations (in ten thousand yuan)	Amount guaranteed (in ten thousand yuan)	Whether the guarantee is mature
85%	Yinhai Lease	30,000.00	25,500.00	No
100%	Chongqing Xidao	9,700.00	9,700.00	No
50%	Chongqing Jinjianglian	65,100.00	32,550.00	No
25%	Nanning Yaoxin	83,000.00	20,818.75	No
100%	Jiashan Shengcheng	35,000.00	35,000.00	No
30%	Chongqing Meichengjin	10,000.00	3,000.00	No
100%	Hunan Jinke	78,900.00	78,900.00	No
100%	Zhongshu Property	37,960.00	37,960.00	No
34%	Jinke Junzhi	17,800.00	6,052.00	No
49%	Zunyi Meijun	30,000.00	14,700.00	No
100%	Dalian Hongkun	120,000.00	120,000.00	No
100%	Jinshang Baishi	42,700.00	42,700.00	No
100%	Qianshang Property	39,171.11	39,171.11	No
33%	Changzhou Tianchen	99,000.00	32,670.00	No
33%	Shenyang Junyu	11,966.92	3,949.09	No
49%	Yunnan Jinhongya	50,000.00	24,500.00	No
33%	Foshan Jinji	40,000.00	13,200.00	No
34%	Chongqing Jinbihui	77,000.00	26,180.00	No
49.9%	Yueyang Dingyue	12,000.00	5,988.00	No
49%	Qingdao Shimao Boxi	3,666.00	1,796.34	No
49%	Changzhou Meike	60,000.00	29,400.00	No
49.9%	Changde Dingye	20,000.00	9,980.00	No
49%	Handan Rongkai	60,000.00	29,400.00	No
33%	Tai'an Jinyanghua	20,000.00	6,600.00	No
22.21%	Luoyang Duli	88,400.00	19,633.64	No
40%	Chongqing Jinnan Shengtang	27,560.00	11,024.00	No
50%	Maoming Jinxiao	2,700.00	1,350.00	No
50%	Ji'an Jinchun	25,000.00	12,500.00	No
34%	Liaocheng Rongshun	30,000.00	10,200.00	No
50%	Chongqing Jinyuehui	30,000.00	15,000.00	No
25%	Wenling Binjin	35,000.00	8,750.00	No
49%	Chongqing Bijiyi	15,000.00	7,350.00	No
49%	Chongqing Whistler	40,000.00	19,600.00	No
35%	Zhoukou Bitian	13,100.00	4,585.00	No
100%	Fujian Hilton	10,000.00	10,000.00	No
33%	Wenzhou Kaiyi	11,000.00	3,630.00	No
100%	Shangrao Yuesheng	24,000.00	24,000.00	No
0.42%	Chongqing Jinbimao	95,300.00	400.00	No

3. Financial support provided by Jinke Investment to Chongqing Jinke

To support the Company's development, Jinke Investment and Chongqing Jinke entered into the

Credit Borrowing Contract on March 29, 2018, agreeing that Jinke Investment would provide credit borrowings with total amount not exceeding 800 million yuan to Chongqing Jinke, with term not over one year and annual interest rate of 8.6%. In 2018, Jinke Investment actually provided credit borrowings of 600 million yuan to Chongqing Jinke, and Chongqing Jinke had repaid the borrowings of 450 million yuan and paid interest of 11.47 million yuan. On March 28, 2019, Chongqing Jinke repaid the remaining 150 million yuan to Jinke Investment, and paid interest of 6.76 million yuan (of which, interest of 3.48 million yuan was accrued in current period).

On September 9, 2019, Jinke Investment and Chongqing Jinke entered into the Credit Borrowing Contract, agreeing that Jinke Investment would provide credit borrowings with total amount not exceeding 700 million yuan to Chongqing Jinke, with term not over one year and annual interest rate of 8.6%. In 2019, Jinke Investment actually provided credit borrowings of 200 million yuan to Chongqing Jinke. In December 2019 and January 2020, Chongqing Jinke repaid the borrowings of 50 million yuan, respectively, totaling 100 million yuan. As of the date of this financial report, the principal of 100 million yuan and interest of 5.12 million yuan (calculated as of December 31, 2019) remained unpaid.

4. Assets transfer of the related parties

Related parties	Content of related party transactions	Current period cumulative	Preceding period comparative
Jinke Investment	Acquisition of fixed assets	8,550,000.00	

5. Key management's emoluments

Items	Current period cumulative (in ten thousand yuan)	Preceding period comparative (in ten thousand yuan)
Key management's emoluments (after tax)	9,449.54	6,619.81

6. Projects of which directors and executives as co-investors

In order to further improve the quality and operation efficiency of the Company's real estate projects, to index the project operation benefit directly to personal income of co-investors and to realize revenue-sharing and risk pooling, the Company has formulated the Management Measures for Real Estate Companies with Employees as Co-Investors. In accordance with the above measures, co-investment items will be identified as related transactions with some directors and executives of the Company. As of December 31, 2019, the Company's directors and executives have taken part in a total of 73 projects within the consolidated scope through Tianjin Jinfushun, the partnership in which they jointly invested. The amount actually put into the co-investment is 47,626,200.00 yuan, and the cumulative capital returned is 27,709,162.00 yuan. The status of participation in various co-investment projects are as follows:

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
Chongqing Kaixian Jimei Lake	0.2328%	Capital increase	600,000.00	420,000.00
Guiyang Jinke Jimei Sunshine	0.2758%	Joint operation	600,000.00	420,000.00
Zunyi Jinke Jimei Tianchen	0.1619%	Joint operation	600,000.00	420,000.00
Chongqing Bishan Bocui Tianyue	0.2183%	Joint operation	600,000.00	420,000.00
Chongqing Nanchuan Jinke World City (Phase III)	0.1443%	Joint operation	600,000.00	420,000.00
Nanjing Jinke Bocui Garden	0.0715%	Capital increase	600,000.00	137,920.00
Luzhou Jinke Bocui Bay	0.0490%	Transfer of shares	630,000.00	441,000.00
Jinan Oriental Bocui	0.0183%	Capital increase	600,000.00	283,960.00
Beijing Lingxiu	0.0155%	Transfer of shares	600,000.00	264,302.00
Chongqing Bocui Changjiang	0.0900%	Joint operation	600,000.00	420,000.00
Chongqing Yongchuan Tianyue House	0.1975%	Joint operation	438,000.00	306,600.00
Zhangjiagang Bocui Mansion	0.3037%	Capital increase	600,000.00	420,000.00
Nanchang Jinke Jimei Sunshine	0.0573%	Capital increase	600,000.00	420,000.00
Hangzhou Bocui House	0.0344%	Transfer of shares	600,000.00	388,422.00
Chengdu Jinke Bocui Tianchen	0.0695%	Transfer of shares	630,000.00	441,000.00
Jinke Bocui Bay	0.0225%	Capital increase	600,000.00	420,000.00
Chongqing Kaixian Bocui River Bank	0.2105%	Joint operation	600,000.00	420,000.00
Chongqing Jinke Binjiang Center	0.1853%	Joint operation	600,000.00	420,000.00
Foshan Jinke Bocui World	0.0359%	Transfer of shares	600,000.00	420,000.00
Chongqing Jiangjin Jimei County	0.1498%	Capital increase	600,000.00	420,000.00
Suining Jinke Meihuwan Xiangshang	0.1181%	Transfer of shares	630,000.00	441,000.00
Nanchong Jimei Tianchen	0.1997%	Transfer of shares	630,000.00	441,000.00
Chengdu Bocui Sparkling Lake	0.0613%	Transfer of shares	321,300.00	224,910.00
Chongqing Jimei Bright Bay	0.1576%	Joint operation	690,000.00	483,000.00
Zunyi Jinke Little Egret Lake	0.1771%	Joint operation	690,000.00	74,290.00
Tianjin Jinke Jimei Tiancheng	0.2130%	Joint operation	690,000.00	443,249.00
Zibo Jinke Jimei Jiayue Mansion	0.1282%	Transfer of shares	690,000.00	483,000.00

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
Chengdu Bocui Mansion	0.0699%	Transfer of shares	720,000.00	504,000.00
Suzhou Qiantang Pingjiang Garden	0.0235%	Transfer of shares	690,000.00	337,579.00
Nanchang Jinke Bocui World	0.1796%	Transfer of shares	690,000.00	290,975.00
Beijing Yujing Mansion	0.0697%	Transfer of shares	690,000.00	480,999.00
Yongchuan Jimei Tianchen	0.3007%	Transfer of shares	720,000.00	504,000.00
Hangzhou Jinke Bocui Aquamarine Bay	0.0197%	Capital increase	690,000.00	359,560.00
Shenyang Jimei Shangjing	0.2564%	Joint operation	690,000.00	424,749.00
Tianjin Quyang Mansion	0.1717%	Joint operation	690,000.00	295,054.00
Xuchang Furong Tianchen	0.1235%	Joint operation	690,000.00	417,838.00
Chongqing Fulin Jinke Jimei Jiangshan	0.0662%	Joint operation	690,000.00	293,030.00
Guizhou Jinke Longli Orient	0.2178%	Joint operation	345,000.00	241,500.00
Zunyi Jinke Jimei Hanlin Mansion	0.1855%	Joint operation	690,000.00	483,000.00
Chongqing Yunyang Jinke World City	0.1517%	Joint operation	690,000.00	483,000.00
Tangshan Jinke Jimei County	0.2114%	Capital increase	690,000.00	472,788.00
Chongqing Tianyi Mansion	0.0606%	Joint operation	690,000.00	483,000.00
Ganzhou Jinke Jimei Residence	0.1306%	Capital increase	690,000.00	483,000.00
Jinke Jimei Sunshine	0.0902%	Transfer of shares	720,000.00	504,000.00
Foshan Jinke Jimei Tianchen Bay	0.2039%	Capital increase	690,000.00	196,535.00
Zunyi Guantianxia	0.1207%	Joint operation	720,000.00	
Luzhou Jinke Jimei Tianchen	0.1995%	Transfer of shares	690,000.00	483,000.00
Liuzhou Jimei Tianyue	0.1553%	Transfer of shares	690,000.00	483,000.00
Chongqing Jinke Yuzhou Mansion	0.0387%	Joint operation	720,000.00	415,668.00
Chongqing Fulin Jinke Jimei County	0.2228%	Joint operation	720,000.00	504,000.00
Hefei Duhui Dagan	0.0492%	Transfer of shares	690,000.00	197,530.00
Neijiang Jimei Tianchen	0.0746%	Transfer of shares	690,000.00	483,000.00
Foshan Jinke Jimei Shanshui County	0.0708%	Capital increase	690,000.00	378,498.00
Guangzhou Jimei Lingxiu	0.0436%	Transfer of shares	690,000.00	277,583.00
Zibo Jinke Jimei County	0.2569%	Transfer of shares	690,000.00	181,862.00

Project name	Shareholding proportion under agreement	Form of transfer	Total amount of co-investment	Cumulative capital returned
Zibo Jinke Jimei Tianchen	0.1881%	Transfer of shares	690,000.00	
Guizhou Jiuhua Linyun	0.0458%	Joint operation	720,000.00	366,409.00
Foshan Jinke Jimei Riverside	0.0878%	Transfer of shares	690,000.00	60,731.00
Shenyang Jimei Tiancheng	0.0598%	Joint operation	690,000.00	483,000.00
Suzhou Four Seasons Spring Dawn Garden	0.0532%	Transfer of shares	690,000.00	370,920.00
Suzhou Yuanjiang Building	0.0749%	Transfer of shares	690,000.00	50,286.00
Shenzhen Guanlan	0.0640%	Transfer of shares	690,000.00	370,116.00
Chongqing Kaixian Jinke Yuehu Mingmen	0.2886%	Capital increase	720,000.00	504,000.00
Zhuzhou Jimei Elegant County	0.1422%	Capital increase	690,000.00	483,000.00
Suining Jimei Tianchen	0.2465%	Transfer of shares	690,000.00	483,000.00
Yueyang Jimei Orient	0.2447%	Capital increase	690,000.00	483,000.00
Yueyang Meidi Jinke County	0.1987%	Transfer of shares	690,000.00	357,969.00
Wuxi Jimei Yipin	0.1661%	Transfer of shares	690,000.00	483,000.00
Guizhou Renhuai Luming East	0.2671%	Joint operation	720,000.00	504,000.00
Chongqing Kaixian Jimei Orient	0.1357%	Joint operation	720,000.00	504,000.00
Yichang Jimei Sunshine	0.4538%	Capital increase	690,000.00	483,000.00
Wuhan Jinke Jinghuli	0.0257%	Joint operation	351,900.00	246,330.00
Chongqing Fengjie Jimei Riverside	0.1484%	Joint operation	720,000.00	504,000.00
Total			47,626,200.00	27,709,162.00

Note: After deliberation at the 28th meeting of the 10th session of the Board of Directors and the first extraordinary shareholders' meeting of 2019, the Proposal on the Revision of "Management Measures of Jinke Property Group for Real Estate Companies with Employees as Co-Investors" was approved, according to which, the Company's directors, executives and organizations under their control or entrustment, or family members closely related to them, shall not act as co-investors. Prior to the revision of the measures, the co-investment real estate projects that have been implemented by the Company's directors and executives shall continue to be implemented in accordance with the measures before revision and shall be withdrawn in accordance with the relevant provisions of the revised measures. After the revision of these measures, the directors and executives of the Company will no longer follow in investing in new real estate projects.

7. Other related party transactions

(1) Equity acquisition of Xingkun Real Estate

Pursuant to the Proposal on Equity Acquisition of Real Estate Companies and Related Transactions deliberated and approved by the 35th meeting of the 10th session of the Board of Directors dated July 5, 2019, the wholly-owned subsidiary Chongqing Jinke intended to acquire 100% equity of Xingkun Real Estate from Zhongke Group, which was controlled by Mr. Huang Yifeng) and 重庆润凯商业管理有限公司 (Chongqing Runkai Commercial Management Co., Ltd.*, the “Chongqing Runkai”), of which, Zhongke Group and Chongqing Kairun held 51% and 49% equity of Xingkun Real Estate, respectively. Meanwhile, given that Zhongke Group was the general contractor of the development project phase II, III and IV of Xingkun Real Estate, Xingkun Real Estate would continue to perform the general contracts with Zhongke Group and make project payments for the purpose of continuity. The consideration paid by the Company for this equity transfer would not exceed 847,434,900 yuan, of which, the price for equity transfer should not be more than 680,273,200 yuan, the payables due from Xingkun Real Estate to Zhongke Group and its related parties amount to 167,161,700 yuan, and the amount of expected expenses for daily transactions should not exceed 200 million yuan according to the above general contract between Xingkun Real Estate and Zhongke Group.

Chongqing Jinke, Zhongke Group, and Chongqing Runkai entered into the Equity Transfer Agreement and related supplementary agreements on January 14, 2020, which agreed that the total price of such equity transfer was 680,273,200 yuan, of which, the transfer price for 51% equity of Xingkun Real Estate held by Zhongke Group should be 346,939,300 yuan, and that for 49% equity of Xingkun Real Estate held by Chongqing Runkai should be 333,333,900 yuan. The Agreement also agreed that Zhongke Group and Xingkun Real Estate would terminate the General Construction Contract for Fuling Red Star International Plaza Phase IV Building 1#-22# and entered into related termination agreement. Due to the long development period of the project undertaken by Zhongke Group, the periodic fluctuation of unit cost price, and the current reduction requirements in the industry, Chongqing Jinke requested Zhongke Group and Chongqing Runkai to reduce the original overall cost by 50 million yuan. Additionally, according to the agreement, the equity transfer payments will be divided in three stages upon the satisfaction of the relevant conditions as agreed, and the equity dividend payable totaling 50 million yuan due from Xingkun Real Estate to the original shareholders Zhongke Group and Chongqing Runkai will be reserved after the final settlement of various payments for the developed phase I, phase II and phase III projects of Red Star International Plaza project and the written confirmation made by Xingkun Real Estate and Chongqing Jinke.

As of the date of this financial report, procedures for registration of change relevant to the equity acquisition of Xingkun Real Estate had been finished on January 22, 2020, and the equity transfer

* *The English name is for identification purpose only.*

payment of 100 million yuan had been made.

(2) Equity acquisition of Chongqing Hangxing

To enlarge and strengthen the Company's construction segment and improve its comprehensive competitive ability, under the resolution of the President's General Meeting, the subsidiary Chongqing Qiding Construction Engineering Management Co., Ltd. (the "Chongqing Qiding") intended to acquire 100% equity of Chongqing Hangxing from Chongqing Xinyihui. Pursuant to the Equity Transfer Agreement entered into between Chongqing Qiding and Chongqing Xinyihui dated January 10, 2020, the equity transfer amounted to 45,753,900.00 yuan, which be paid by Chongqing Qiding to Chongqing Xinyihui in one lump sum after the completion of the procedures for registration of change.

As of the date of this financial report, procedures for registration of change relevant to the equity acquisition of Chongqing Hangxing had been finished on January 16, 2020, and Chongqing Qiding had made a full equity transfer payment to Chongqing Xinyihui.

(3) Ticket agent

The Company's subsidiary 重庆康程航空票务代理有限公司 (Chongqing Kangcheng Air Ticket Agent Co., Ltd.*) is engaged in ticket agent business. In accordance with the industry practice of ticket agent business, the payment for agent ticket settled with Jinke Investment in the reporting period amounts to 370,076.00 yuan,

(4) Interest settlement

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Dalian Hongkun	Interest	-26,311,240.41	
Jinshang Baishi	Interest	-23,477,897.79	
Kunxiang Yutang	Interest	-10,926,611.00	3,822,233.69
Zhongjian Jinlun	Interest	-9,198,223.96	15,082,953.82
Changzhou Jinke	Interest	-5,479,474.01	3,890,841.22
Qianshang Property	Interest	-5,291,476.27	
Changzhou Baijun	Interest	-4,760,487.17	11,572,483.35
Jinke Jiefu	Interest	-2,353,333.33	
Hengyang Dingheng	Interest	-332,790.00	
Guokong Lancheng	Interest	-20,000.00	2,413,214.86
Fujian Hilton	Interest		58,618,317.91
Zunyi Meijun	Interest		9,187,926.71
Nanning Yutongjin	Interest		36,472,091.19
Guangxi Tangpeng	Interest	9,332.38	

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Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Changshu Jinchen	Interest	24,001.47	1,825,096.95
Guangxi Shengcan	Interest	96,816.19	
Shangrao Yuesheng	Interest	130,528.50	
Yidu Jiaotou Jinwei	Interest	319,916.44	
Yueyang Dingyue	Interest	345,450.93	
Liuzhou Tongxin	Interest	437,886.83	
Nanning Jinhongsheng	Interest	1,188,109.20	298,742.25
Chongqing Meike	Interest	1,330,188.68	
Nanning Yaoxin	Interest	1,558,653.37	5,380,189.53
Tianjin Junye	Interest	1,687,824.72	16,572,864.97
Chongqing Jinyuehui	Interest	1,728,767.71	
Yunnan Chengding	Interest	2,040,725.94	3,937,422.31
Ji'an Jinchen	Interest	2,144,694.11	
Jiashan Tianchen	Interest	2,295,734.59	15,094,242.94
Chongqing Taijun	Interest	2,506,326.75	
Chengdu Lingpao	Interest	3,180,797.78	703,929.42
Changde Dingye	Interest	3,201,137.85	
Yulin Longhe	Interest	3,424,280.58	
Changzhou Liangyue	Interest	4,216,264.09	
Maoming Jinxiao	Interest	4,377,407.87	
Chongqing Xidao	Interest	4,388,434.72	3,715,041.40
Chongqing Xilianjin	Interest	4,557,877.16	10,752,146.30
Jinke Junzhi	Interest	4,974,346.49	3,974,256.05
Chongqing Jinnan Shengtang	Interest	4,977,205.21	
Chongqing Jinbimao	Interest	5,124,021.18	10,302,346.17
Jiashan Shengtai	Interest	5,300,426.62	17,916,916.63
Yunnan Jinhongya	Interest	5,719,994.42	
Chengdu Shengbu	Interest	6,834,867.73	9,697,520.95
Luoyang Duli	Interest	9,197,753.96	8,928,056.90
Foshan Jinji	Interest	13,080,391.88	2,835,889.03
Changzhou Tianchen	Interest	15,443,003.22	5,038,615.29
Hunan Jinke	Interest	8,762,498.63	
Zhongshu Property	Interest	16,458,713.49	
Chengdu Yizhi Xingyi	Interest	20,774,370.85	
Chongqing Jinjianglian	Interest	23,863,154.45	18,011,104.40

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Chongqing Pinjinyue	Interest	39,086,113.35	52,338,755.97
Subtotal		136,636,485.40	328,383,200.21

Note: The negative amount represents settlement of interest on funds from related parties.

(5) Sale-leaseback

The subsidiary Hami Huaran (the lessee) signed an eight-year financial lease contract with Yin Hai Lease (the lessor) on September 1, 2018. The leased properties under this contract are 30 sets of H11L-2.0MW wind turbines and 4 sets of wind power tower tube mould in the C-area of Jingxia No. 2 Wind Farm. The transfer price is 300 million yuan. In the current period, Hami Huaran has paid interest of 17,458,499.23 yuan to Yin Hai Lease, and the balance of long-term payables as of December 31, 2019 is 290,427,697.77 yuan.

(III) Balance due to or from related parties

1. Balance due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Jurong Ruihan	309,202.27	5,256.44		
	Chongqing Taijun	3,257,461.56	55,376.85		
	Anqing Jinshixiang	600,000.00	6,000.00		
	Yidu Jiaotou Jinwei	1,876,884.44	31,810.45		
	Shangrao Yuesheng	951,446.64	9,514.47		
	Suzhou Xincheng Jinyue	14,805,059.22	244,616.01		
	Linqun Jiarun	19,456,825.22	325,442.44		
	Lanxi Hongke	70,000.00	700.00		
	Jinke Yukun	64,032.00	640.32		
	Xinhaihui Property			1,705,364.48	42,610.49
	Zhengzhou Xinyinke	23,049,536.81	386,513.36		
	Zhongjian Jinlun			3,308,671.82	33,086.72
	Chongqing Jinjiahe	30,869,953.52	521,874.40		
	Suzhou Tianchen	45,085.00	450.85		
	Changzhou Jinke	420,644.50	4,206.45	158,680.00	1,586.80
	Shijiazhuang Jinke	234,135.96	14,048.16	3,466,550.45	34,665.50
	Shijiazhuang Tianyao	2,717,730.95	46,201.43		
	Zhongshu Property	257,101.97	15,426.12	5,324,891.01	53,248.91
	Hunan Jinke	51,403.31	25,366.88		
	Jiashan Tianchen	1,272,684.57	21,635.64		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Jinke Junzhi	38,156,070.86	647,597.09	826,449.82	8,264.50
	Yunnan Jinhongya	1,361,438.33	21,848.70		
	Xuchang Jinyao	415,763.83	4,157.64	435,130.22	4,351.30
	Kunxiang Yutang	5,616,038.70	118,131.00		
	Nanning Yutongjin	778,218.07	23,306.89	580,702.00	5,807.02
	Guangxi Miaotai	225,282.82	11,264.14	225,282.82	2,252.83
	Guokong Lancheng	128,910.02	1,289.10	413,211.69	4,132.12
	Fujian Hilton			377,803.50	3,778.04
	Chongqing Xidao	7,810,984.86	155,027.29	1,998,733.27	19,987.33
	Foshan Jinji	640,347.87	10,885.91		
	Nanning Jinhongsheng	1,522,356.50	25,880.06		
	Yunlin Longhe	7,172,898.22	121,939.27		
	Jinke Yutai	615,341.38	123,068.27	938,546.38	33,999.12
	Wujiaqu Jinke	11,050,876.00	1,147,408.13	6,332,173.89	297,513.14
	Jinke Kuntai	1,917,628.93	383,525.79	1,917,628.93	95,881.45
	Jinke Shengmu			185,044.81	1,850.45
	Chongqing Bijinhui	7,606.33	76.06		
	Chongqing Bijiyi			595,000.58	5,950.01
	Nanjing Yuhong	877,221.93	8,772.22		
	Chengdu Shengbu	224,066.14	13,443.97	1,424,066.14	14,240.66
	Hefei Bihe	255,146.00	4,337.48	988,522.16	9,885.22
	Chongqing Xilianjin	7,235,809.27	119,175.09	299,132.55	2,991.33
	Changzhou Bajjun	686,990.00	6,869.90	1,035,974.30	10,359.74
	Shenyang Junyu	195,435.31	1,954.35		
	Yunnan Jiaxun	284,626.00	2,846.26	525,000.00	5,250.00
	Chengdu Lingpao	794,653.76	7,946.54	306,908.37	3,069.08
	Yueyang Dingyue			361,073.66	3,610.74
	Chongqing Jinjianglian	179,177.01	7,565.87	105,113.00	1,051.13
	Changde Dingye	2,348,246.88	37,831.11		
	Chongqing Meichengjin	845,234.28	8,452.34	7,211,159.66	72,111.60
	Hengyang Dingheng	168,526.85	1,685.27		
	Handan Rongkai	1,170,731.60	19,902.44		
	Zhumadian Bisheng	2,350,437.23	39,957.44		
	Lanxi Zhongliang	661,937.98	8,304.18		
	Luohe Changjian Ronglian	1,221,980.99	20,773.68		
	Gongyi Bixin Property	282,758.10	2,827.58		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Changzhou Meike	1,459,747.89	20,315.91		
	Changzhou Liangyue	172,625.00	1,726.25		
	Hailujing Suizhou	3,075,965.00	52,291.41		
	Ji'an Jinchun	376,640.00	3,766.40		
	Qingdao Shimao Boxi	1,677,525.20	28,517.93		
	Chongqing Jinnan Shengtang	3,864,289.00	65,692.91		
	Shanghai Longjun	1,008,517.42	17,144.80		
	Guose Tianxiang	350,000.00	5,950.00		
	Chongqing Hangxing	36,900.00	369.00		
	Keyi Micro-Credit	25,000.00	250.00		
	Caiju Investment			450,000.00	20,500.00
	Xingkun Real Estate	90,554.00	905.54		
	Wuxi Sunac Real Estate	29,566.68	29,566.68	29,566.68	14,783.34
	Fang Mingfu, Chen Zhongrong	6,835,002.00	102,525.03		
	He Rong	92,477.06	1,387.16		
	Subtotal	216,606,739.24	5,153,540.35	41,526,382.19	806,818.57
Advances paid	Chongqing Jinjiahe			13,570.52	
	Chongqing Aohang	8,612.02			
	Subtotal	8,612.02		13,570.52	
Other receivables	Shanxi Jinhengrui	25,000,000.00	25,000.00		
	Jurong Ruihan [Note 1]	132,688,656.05	132,688.66		
	Chongqing Taijun [Note 1]	208,613,406.76	208,613.41		
	Anqing Jinshixiang [Note 1]	128,703,401.00	128,703.40		
	Yidu Jiaotou Jinwei [Note 1]	36,468,603.15	36,468.60		
	Shangrao Yuesheng [Note 1]	225,130,158.56	225,130.16		
	Linquan Jiarun	12,205,560.00	12,205.56		
	Lanxi Hongke [Note 1]	95,867,920.41	95,867.92		
	Dalian Fengmao	9,955.00	9.95		
	Chongqing Whistler	8,089,836.08	8,089.84		
	Hubei Jiaotou Jinke Property	165,856.17	165.86		
	Xinhaihui Property			351,550,478.57	
	Zhengzhou Xinyinke	72,495,585.28	72,495.59		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Yuanwei Consultancy	70,000.00	70.00		
	Shijiazhaung Jinke	15,117,121.56	15,117.12	92,320,584.48	
	Zhongshu Property [Note 1]	272,975,801.34	272,975.80	516,744,347.55	
	Tianjin Jiabo			103,137,476.00	
	Hangzhou Jinyu			114,160,000.00	
	Chongqing Pinjinyue [Note 1]	221,509,225.00	221,509.22	30,420,000.00	
	Jiashan Taisheng			290,573,276.16	
	Jiashan Tianchen [Note 1]	28,362,669.19	28,362.67	66,583,917.74	
	Jinke Junzhi [Note 1]	40,438,977.19	40,438.98	127,194,743.61	
	Yunnan Jinhongya			214,849,788.05	
	Xuchang Jinyao	33,086.53	33.09	46,992,330.04	
	Yunnan Chengding [Note 1]	109,066,035.11	109,066.03	97,489,754.95	
	Nanning Yutongjin	33,951,040.82	33,951.04		
	Guangxi Miaotai			5,216,575.00	
	Jurong Jinjiarun [Note 1]	57,780,024.10	57,780.02	56,728,184.10	
	Fujian Hilton [Note 1]	175,127,888.08	175,127.89	139,766,463.47	
	Nanning Yaixin			153,163,152.87	
	Chongqing Xidao			244,348,953.63	
	Chengkou Yinghong	8,699.99	8.70	8,699.99	
	Foshan Jinji [Note 1]	121,786,935.65	121,786.94	201,028,872.70	
	Nanning Jinhongsheng			73,388,447.00	
	Zhenjiang Jinhong [Note 1]	62,384,045.50	62,384.05		
	Suzhou Jinqiao	1,000.00	1.00		
	Yulin Longhe [Note 1]	86,887,616.31	86,887.62		
	Qingdao Hengmei [Note 1]	12,227,633.00	12,227.63		
	Yinhai Finance			3,000,000.00	
	Chuangliang Investment [Note 1] [Note 2]	361,528,480.50	361,528.48	361,528,480.50	
	Tianjin Junye	72,632,839.13	72,632.84	70,107,171.20	
	Chongqing Jinbihui			43,045,061.38	
	Chongqing Bijinhui			184,705,038.87	
	Chongqing Meike [Note 1]	280,042,000.00	280,042.00	183,959,191.95	
	Chongqing Bijiyayi [Note 1]	295,916,165.17	295,916.16	167,106,498.51	
	Chongqing Jinmeibi [Note 1]	48,838,700.00	48,838.70	78,074,400.00	

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Jiashan Shengcheng			17,053,922.00	
	Chongqing Jinbimao [Note 1]	215,462,417.83	215,462.42	280,080,005.74	
	Nanjing Yuhong [Note 1]	327,824,750.00	327,824.75	327,824,750.00	
	Chengdu Shengbu [Note 1]	149,956,699.41	149,956.70	162,612,373.49	
	Taicang Zhuorun			23,742,554.00	
	Zunyi Meijun [Note 1]	85,909,780.84	85,909.78	224,748,679.99	
	Heifei Bihe			58,500,000.00	
	Luoyang Duli [Note 1]	79,686,295.50	79,686.30	368,048,794.68	
	Chongqing Xilianjin [Note 1]	43,811,475.45	43,811.48	107,238,988.21	
	Changzhou Baijun			11,655,010.15	
	Changshu Jinchun			25,810,621.10	
	Yunnan Jiaxun			15,848,739.55	
	Chengdu Lingpao [Note 1]	9,056,062.01	9,056.06	119,269,600.34	
	Chongqing Jinjianglian	60,356,840.04	60,356.84	100,000,000.00	
	Changzhou Tianchen			593,395,741.18	
	Hefei Chang'en			8,021,853.51	
	Chongqing Meichengjin [Note 1]	123,296,158.25	123,296.16	143,700,000.00	
	Chengdu Yizhi Xingyi [Note 1]	455,731,068.58	455,731.07		
	Hengyang Dingheng [Note 1]	24,914,813.73	24,914.81		
	Liaocheng Rongshun [Note 1]	103,262,767.00	103,262.77		
	Weifang Delixin [Note 1]	35,858,261.96	35,858.26		
	Hangdan Rongkai [Note 1]	125,550,565.01	125,550.56		
	Maoming Jinxiao [Note 1]	186,147,850.02	186,147.85		
	Chongqing Jinyuehui	94,025.82	94.03		
	Tai'an Jinyanghua [Note 1]	3,145,825.81	3,145.83		
	Lanxi Zhongliang [Note 1]	11,991,596.19	11,991.60		
	Huarong Bicheng [Note 1]	68,677,328.18	68,677.33		
	Liuzhou Tongxin [Note 1]	81,073,642.09	81,073.64		
	Luohe Changjian Ronglian [Note 1]	80,606,550.00	80,606.55		
	Gongyi Bixin Property [Note 1]	106,142,481.00	106,142.48		
	Changzhou Liangyue [Note 1]	80,463,955.17	80,463.95		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Chongqing Aohang [Note 1]	80,351,341.57	80,351.34		
	Hailujing Suizhou [Note 1]	24,102,776.00	24,102.78		
	Ji'an Jincheng [Note 1]	18,730,681.12	18,730.68		
	Wenzhou Geyang [Note 1]	154,582,395.00	154,582.39		
	Wenzhou Kaiyi [Note 1]	14,154,800.00	14,154.80		
	Binzhou Baochi [Note 1]	96,750,771.05	96,750.77		
	Chongqing Jinnan Shengtang [Note 1]	98,792,384.29	98,792.38		
	Ya'an Haina [Note 1]	57,757,722.00	57,757.72		
	Ya'an Jinhong [Note 1]	34,270,257.63	34,270.26		
	Guangxi Tangpeng [Note 1]	2,711,484.52	2,711.48		
	Guangxi Shengcan [Note 1]	15,391,900.31	15,391.90		
	Anyang Changjian [Note 1]	86,420,224.28	86,420.22		
	Shangqiu Xinhang [Note 1]	113,477,509.02	113,477.51		
	Hangzhou Binxin [Note 1]	63,378,137.50	63,378.14		
	Chongqing Jinyihui [Note 1]	401,345.20	401.34		
	Yiwu Lianxiang	259,327,400.00	259,327.40		
	Chongqing Zhongliang Yongsheng	31,688.10	31.69		
	Chongqing Jinyonghe	174,227,500.00	174,227.50		
	Chongqing Keshijin	134,475,000.00	134,475.00		
	Gongyi Jinyao Baishi [Note 1]	5,880,000.00	5,880.00		
	Jinke Zhixin	31,329.90	31.33		
	Wuxi Sunac Construction [Note 3]	10,000.00	10,000.00	10,000.00	10,000.00
	Wuxi Sunac Real Estate [Note 3]	500.00	500.00	500.00	500.00
	Shangrao Kesong [Note 1]	47,250,000.00	47,250.00		
	Henan Guofengyuan			505,444,453.02	
Subtotal		7,183,653,280.01	7,194,142.78	7,110,198,475.28	10,500.00

Note 1: It is the receivables of investment and development funds, interest, service fee, etc. arising from investment and development funds and management services provided by the Company or its controlling subsidiaries to unconsolidated associates or joint venture projects.

Note 2: It is the financial supporting fund provided to Tianjin Junye by the Company's subsidiary.

Tianjin Junye is the wholly-owned subsidiary of the Company's associate Chuangliang Investment.

Note 3: It is the operating current accounts arising from labor services rendered by the subsidiary Chongqing Kelsinki in previous years.

2. Balance due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable			
	Chongqing Hangxing	45,858,992.35	48,030,456.92
	Jinke Commercial Factoring [Note]	639,746,069.09	238,687,130.09
	Shenlong Construction	19,359.70	19,359.70
	Zhongke Group	7,743,282.23	7,764,892.82
	Zhanhe Agriculture	130,340.00	142,468.80
Subtotal		693,498,043.37	294,644,308.33
Advances received			
	Dalian Hongkun	2,050,059.11	
	Jinshang Baishi	1,222,625.56	
	Zhongjian Jinlun	3,431,523.18	
	Chongqing Jinjiahe		7,537,508.21
	Shijiazhuang Tianyao		1,964,324.50
	Jiashan Tianchen		136,686.00
	Zhongke Group		11,747.71
	Fushang Investment	2,305.00	2,305.00
	Liu Jing	425,900.00	
Subtotal		7,132,412.85	9,652,571.42
Other payables			
	Dalian Hongkun	776,546,008.12	
	Jinke Golden Education	200,000.00	300,000.00
	Jinshang Baishi	80,127,640.27	
	Jinke Yukun	189,000.00	189,000.00
	Zhengzhou Xinyinke		37,637,496.67
	Zhongjian Jinlun	172,635,178.60	198,896,896.10
	Chongqing Jinjiahe	23,415,907.64	112,994,196.82
	Suzhou Tianchen	19,284,221.59	57,049,510.41
	Changzhou Jinke	86,951,338.13	84,593,889.16
	Shijiazhaung Tianyao	107,283,196.06	90,641,713.47

Items	Related parties	Closing balance	Opening balance
	Huidian Sanshe	100,000.00	100,000.00
	Hunan Jinke	78,828,733.84	
	Tianjin Jiabo	137,762,524.00	
	Hangzhou Jinyu	46,000,000.00	
	Jiashan Taisheng	312,421.62	
	Yunnan Jinhongya	169,411,384.15	
	Kunxiang Yutang	104,562,561.16	16,572,232.18
	Nanning Yutongjin		10,882,972.33
	Guangxi Miaotai	14,875,944.46	
	Guokong Lancheng	44,956,809.63	175,443,075.59
	Nanning Yaoxin	342,440,848.33	
	Chongqing Xidao	10,358,808.98	
	Nanning Jinhongsheng	29,830,310.85	
	Jinke Yutai	248,923.59	
	Nanning Sunac	538,890,784.00	762,440,000.00
	Yinhai Finance	1,301,491.64	
	Jinke Jiefu	30,000,000.00	30,146,666.67
	Chongqing Jinjiahai	114,824,609.26	197,511,634.97
	Shijiazhuang Jinhui	12,637,312.37	35,000,000.00
	Chongqing Shengmu	532,115,818.25	964,694,500.00
	Chongqing Jinbihui	84,674,938.62	
	Jiashan Shengcheng	244,606,078.00	
	Chongqing Jinxi Health	82,650.47	389,212.47
	Qianhai Botong	24,495.04	24,495.04
	Guangxi Qianxunlu	333,690,000.00	239,610,000.00
	Taicang zhuorun	20,257,446.00	
	Hefei Bihe	35,075,000.00	
	Changzhou Baijun	117,725,540.24	
	Changshu Jinchun	454,288,800.00	
	Yunnan Jiaxun	129,436,260.45	
	Yueyang Dingyue	58,109,913.94	
	Changzhou Tianchen	148,412,452.37	
	Hefei Chang'en	19,979,749.44	
	Changde Dingye	29,915,502.36	
	Quanzhou Hongguang	10,323,200.00	
	Changzhou Meike	1,459,747.89	

Items	Related parties	Closing balance	Opening balance
	Qingdao Shimao Boxi	3,390,116.18	
	Jinke Investment	157,124,166.66	152,002,965.80
	Keyi Micro-Credit	226,255.23	79,365.00
	Zhongke Group	302,453.55	261,739.20
	Qianpeng Property	14.00	
Subtotal		5,325,196,556.98	3,167,461,561.88

Note: This is due to the fact that the upstream suppliers of the Company's subordinate project companies carry out the supply chain financing business, and choose Qianhai Lianjie, Qianhai Lianyi, Qianhai Weizhong, Qianhai Yifang Yingsheng, Jinke Commercial Factoring and other entities to carry out factoring financing. The project company then transfers the amount originally payable to the upstream supplier to the factoring unit according to the notice of transfer of creditor's rights received.

XI. Share-based payment

(I) Overall information

1. Details

Total equity instruments granted in current period	
Total equity instruments vested in current period	[Note]
Total equity instruments retired in current period	2,275,000.00
The range of exercise prices of share options outstanding at the end of the period and the remaining contractual life	
The range of exercise prices of other equity instruments at the end of the period and the remaining contractual life	Restricted shares initially granted by the Company on December 9, 2015 are 3.23 yuan per share, which shall be locked for one year since the grant date and can be vested by 4 installments at the annual rate of 25% after the expiration of the lock-up period; reserved restricted shares granted by the Company on December 8, 2016 are 2.62 yuan per share, which shall be locked for one year since the grant date and can be vested by 4 installments at the annual rate of 25% after the expiration of the lock-up period.

Note: The fourth installment of restricted shares of 39,022,500 shares initially granted by the Company and the third installment of reserved restricted shares of 2,100,000 shares have not been unlocked in the current period.

2. Other remarks

Restricted shares initially granted under the Company's equity incentive plan are 191.44 million

shares, of which, 14.83 million shares were repurchased and 43.83 million shares were unlocked in 2016, 3.32 million shares were repurchased and 43.09 million shares were unlocked in 2017, 4.49 million shares were repurchased and 40.79 million shares were unlocked in 2018. In accordance with the validity period, lock-up period and arrangements for vesting or unlocking of the incentive plan, the Company repurchased 2,075,000 restricted shares which were granted to two natural persons but not yet unlocked at a price of 2.37 yuan per share in cash.

The Company granted reserved restricted shares of 10.30 million shares to 12 incentive targets in 2016, unlocked 2.58 million shares in 2017, repurchased 1.13 million shares and unlocked 2.20 million shares in 2018. In the current period, the Company repurchased 200,000 restricted shares which were granted to one natural person but not yet unlocked at a price of 1.81 yuan per share in cash.

As of December 31, 2019, the repurchase write-off formalities of the above restricted shares which were not unlocked have not been completed.

(II) Equity-settled share-based payment

Determination method for grant-date fair value of equity instruments	Determined on the basis of grant-date value after deducting costs arising from restricted factors
Determination method for the number of equity instruments expected to vest	Determined on the basis of the performance condition of each vesting period and assessment results of incentive targets
Reasons for significant difference between the estimates in current period and preceding period	None
Capital reserve accumulated due to equity-settled share-based payment	109,196,923.83
Total expenses incurred due to equity-settled share-based payment transactions	426,856.94

XII. Commitments and contingencies

(I) Significant commitments

As of December 31, 2019, the agreed expenditure of capital projects with contracts signed but unpaid (mainly are contracts for land) totals 9,057,384,900 yuan, which should be paid within several years when the other party fulfills the obligations stipulated in the contracts. Details are as follows:

Unit: in ten thousand yuan

Items	Contract amount	Accumulated payment	Outstanding balance
Contract for land	1,234,392.87	457,085.58	777,307.29
Equity payment [Note]	272,643.11	144,211.91	128,431.20
Total	1,507,035.98	601,297.49	905,738.49

Note: The significant relevant information of equity payment is detailed in V (I) 20 (2).

(II) Contingencies

1. Contingent liabilities incurred by providing guarantees to external parties

The Company and its subsidiaries provide mortgage guarantee for commercial housing buyers according to the practice of real estate. The guarantee is periodic and covers the period from the effective date of guarantee contract to the date when relevant house property ownership certificate is issued and taken over to the bank, and the mortgage registration procedure is completed. As of December 31, 2019, the amount guaranteed by the Company and its subsidiaries is 21.55 billion yuan and the amount paid for periodic joint and several guarantee liability is 63.79 million yuan. The Company and its subsidiaries have assessed relevant guarantee risks and their effects on the financial statements, taken relevant measures to recover and made provision for bad debts during the reporting period accordingly.

2. Contingent liabilities incurred by providing debt guarantees for other entities and the financial effect

Please refer to notes to the related parties and related party transactions for details.

XIII. Events after the balance sheet date

(I) Significant non-adjusted events

1. The Company was approved to issue corporate bonds with outstanding par value not exceeding 5 billion yuan to the public under the document numbered Zheng Jian Xu Ke [2019] 2646 by CSRC. According to the Announcement of the Issuance of Corporate Bonds (Phase I) of Jinke Property Group Co., Ltd. to Qualified Investors, in 2020, the Company issued corporate bonds with outstanding par value not exceeding 2.3 billion yuan to qualified investors through off-line enquiry and allotment method, each with price of 100 yuan. The bonds would be divided into two categories, the Category A was of 3-year term (attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of second interest year) and the Category B was of 5-year term (attached with issuer's option of adjusting coupon rate and investor's option of selling back at the end of third interest year). The issuing scale of the two categories can be allocated to each other without any proportional limit. The Company had completed the issuance from February 19, 2020 to February 20, 2020, of which, the final issuing amount of Category A is 1.9 billion yuan, with coupon rate of 6.00%, the final issuing amount of Category B is 0.4 billion yuan, with coupon rate of 6.30%.

2. The acquisition of equity of 和谐健康保险股份有限公司 (Harmony Health Insurance Co. Ltd.*) had been approved under the document numbered Yin Bao Jian Fu [2020] 129 by China Banking and Insurance Regulatory Commission. Please refer to section V (I) 20 (2) of notes to financial statements for details.

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(II) Profit distribution after the balance sheet date

Profit or dividend planned to be distributed	It is intended to distribute cash dividend of 4.5 yuan (tax included) per 10 shares to all shareholders based on the share capital as at December 31, 2019.
Profit or dividend approved to be distributed	None

(III) Other remarks

1. Joint capital contribution with related parties

On January 9, 2020, the holding subsidiary 重庆金博思教育科技有限公司 (Chongqing Jinbosi Education & Technology Co., Ltd.*), the “Jinbosi Education”), and 北京至极科技有限公司 (Beijing Zhiji Technology Co., Ltd.*) that controlled by the spouse of Ms. Huang Sishi, jointly established 重庆金悦佳教育科技有限公司 (Chongqing Jinyuejia Education & Technology Co., Ltd.*). Jinbosi Education paid registered capital of 510,000.00 yuan on February 12, 2020.

2. Equity acquisition of related parties

1) The subsidiary Chongqing Jink signed the Agreement on Equity Transfer and relevant supplementary agreements with Zhongke Group and Chongqing Runkai on January 14, 2020 to acquire 100% equity of Xingkun Real Estate. Please refer to section X (II) 7 (1) of notes to financial statements for details.

2) The subsidiary Chongqing Qiding signed the Agreement on Equity Transfer with Chongqing Xinyihui on January 10, 2020 to acquire 100% equity of Chongqing Hangxing. Please refer to section X (II) 7 (2) of notes to financial statements for details.

XIV. Other significant events

(I) Segment information

1. Identification basis for reportable segments

Reportable segments are identified according to the structure of the Company’s internal organization, management requirements and internal reporting system, and based on industry segments. Assessments are respectively performed on the operation performance of real estate sale business, life service business and hotel management business. Assets and liabilities shared by different segments are allocated among segments proportionate to their respective sizes.

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2. Financial information of reportable segments

Industry segment

Unit: in ten thousand yuan

Items	Real estate sales	Life services	Real estate construction	Hotel management
Revenue from main operations	6,310,961.03	230,984.94	399,222.40	26,147.76
Cost of main operations	4,473,439.65	171,322.00	358,007.81	8,398.94
Total assets	75,356,964.05	1,260,441.80	823,309.81	92,667.82
Total liabilities	63,517,532.93	851,797.72	743,845.48	115,973.35

(Continued)

Items	Materials sales	Wind energy investment development	Inter-segment offsetting	Total
Revenue from main operations	245,788.07	41,450.20	-581,890.55	6,672,663.85
Cost of main operations	228,114.10	19,892.63	-527,690.20	4,731,484.93
Total assets	1,777,568.52	728,617.66	-47,879,067.99	32,160,501.67
Total liabilities	1,731,986.09	364,147.18	-40,379,897.24	26,945,385.51

(II) Other significant transactions and events that maybe influential for investors in decision-making

1. Pledge of shareholder's equity

As of December 31, 2019, details of the Company's frozen shares for pledge are as follows:

Holders	Number of frozen shares	Pledgees	Freezing type	Freezing date
Jinke Investment	200,000,000.00	蒲心淑 (Pu Xinshu)	Pledge	07/17/2018
	171,670,000.00	Pu Xinshu	Pledge	07/18/2018
	44,890,000.00	重庆三峡银行股份有限公司 (Chongqing Three Gorges Bank Co., Ltd.*)	Pledge	07/31/2018
	28,571,429.00	中国光大银行股份有限公司重庆分行 (Chongqing Branch of China Everbright Bank Co., Ltd.*)	Pledge	05/10/2019
	8,310,794.00	Chongqing Branch of China Everbright Bank Co., Ltd.	Pledge	08/08/2019
	48,400,000.00	厦门国际信托有限公司 (Xiamen International Trust Co., Ltd.*)	Pledge	08/28/2019
	35,500,000.00	中信证券股份有限公司 (CITIC Securities Co., Ltd.*)	Pledge	08/28/2019
	37,000,000.00	中国银河证券股份有限公司 (China Galaxy Securities Co., Ltd.*)	Pledge	04/14/2017
Tianjin Jujin Property Management Co., Ltd.	149,999,999.00	国海证券股份有限公司 (Guohai Securities Co., Ltd.*)	Pledge	04/20/2018
	5,000,000.00	Guohai Securities Co., Ltd.	Pledge	04/15/2019
	66,633,350.00	北方国际信托股份有限公司 (Northern International Trust Co., Ltd.*)	Pledge	12/04/2019

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Holders	Number of frozen shares	Pledgees	Freezing type	Freezing date
	120,000,000.00	五矿国际信托有限公司 (Minmetals International Trust Co., Ltd.)*	Pledge	12/26/2019
Tianjin Runze	83,340,000.00	杭州迦明资产管理有限公司 (Hangzhou Jiaming Asset Management Co., Ltd.)*	Pledge	12/05/2018
	20,000,000.00	Hangzhou Jiaming Asset Management Co., Ltd.	Pledge	01/02/2019
	37,670,000.00	联储证券有限责任公司 (LC Securities Co., Ltd.)*	Pledge	11/30/2018
Tianjin Runding	90,000,000.00	重庆国际信托股份有限公司 (Chongqing International Trust Co., Ltd.)*	Pledge	12/07/2018
	39,180,000.00	Hangzhou Jiaming Asset Management Co., Ltd.	Pledge	03/12/2019
	34,000,000.00	国泰君安证券股份有限公司 (Guotai Jun'an Securities Co., Ltd.)*	Pledge	07/26/2019
	76,628,400.00	银河金汇证券资产管理有限公司 (Galaxy Jinhui Securities Asset Management Co., Ltd.)*	Pledge	12/28/2018
	203,735,000.00	渤海汇金证券资产管理有限公司 (Bohai Huijin Securities Asset Management Co., Ltd.)*	Pledge	02/02/2018
Huang Hongyun	76,500,000.00	国信证券股份有限公司 (Guosen Securities Co., Ltd.)*	Pledge	2017/08/02
	8,000,000.00	Guosen Securities Co., Ltd.	Pledge	08/02/2018
	66,000,000.00	Guosen Securities Co., Ltd.	Pledge	04/24/2019
	7,060,000.00	Guosen Securities Co., Ltd.	Pledge	05/08/2019
	46,500,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	06/26/2018
	114,300,000.00	Chongqing Three Gorges Bank Co., Ltd.	Pledge	09/28/2018
	99,944,500.00	Guotai Jun'an Securities Co., Ltd.	Pledge	06/05/2019
蒋思海 (Jiang Sihai)	32,100,000.00	Guosen Securities Co., Ltd.	Pledge	03/11/2019
Other non-related party natural persons	32,403,900.00		Pledge	
Other non-related party natural persons	2,954,891.00		Judicial freeze	
Total	1,986,292,263.00			

2. Employee co-investments

(1) As of December 31, 2019, the Company has 243 projects with employees as co-investors in total, with co-investment amount totaling 1,500,505,143.21 yuan, in which, 174 co-investment projects are within the consolidation scope, with co-investment amount of 1,229,268,391.21 yuan. Among them, the equity capital input was 428,093,355.27 yuan, and the debt capital input was 801,175,035.94 yuan.

(2) In order to promote the development of employees' co-investments and ensure that the co-investment companies with employees as co-investors enjoy rights and bear obligations of the project companies in line with the Company. In accordance with the business practice of real estate companies and the joint venture cooperation agreements, all the shareholders of the project

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companies (including the Company) have the right to temporarily use the project companies' temporarily idle funds. As of December 31, 2019, details of capital input, capital return and idle funds on loan provided by the co-investment companies with employees as co-investors are as follows:

Co-investment companies	Capital input		Capital return				Whether overrun
	Equity capital input	Debt capital input	Debt capital return (A)	Idle funds on loan (B)	Funds lent by co-investment companies to commercial companies (C)	Net amount of funds actually returned or on loan (D=A+B+C)	
天津金和顺企业管理合伙企业 (有限合伙) (Tianjin Jingheshun Enterprise Management Partnership Enterprise (LP)*)	188,768,886.56	349,516,576.45	292,476,501.00	349,520,081.00	292,896,838.38	349,099,743.62	No
Tianjin Jinfushun	16,388,107.05	31,238,092.95	27,709,162.00		2,430.45	27,706,731.55	No
天津金渝未来企业管理合伙企业 (有限合伙) (Tianjin Jinyu Future Enterprise Management Partnership Enterprise (LP)*)	32,989,113.28	53,438,256.72	49,318,547.00	62,595,215.52	58,993,141.85	52,920,620.67	No
天津金丰未来企业管理合伙企业 (有限合伙) (Tianjin Jinfeng Future Business Management Partnership Enterprise (LP)*)	9,986,112.60	11,467,887.40	5,306,703.00	6,353,953.00	11,153,841.02	506,814.98	No
天津金皇未来企业管理合伙企业 (有限合伙) (Tianjin Jinhuang Future Enterprise Management Partnership Enterprise (LP)*)	5,887,772.00	8,877,728.00	8,274,997.00	7,365,049.00	8,964,795.60	6,675,250.40	No
天津金骏未来企业管理合伙企业 (有限合伙) (Tianjin Jinjun Future Enterprise Management Partnership Enterprise (LP)*)	2,004,834.81	4,393,165.19	3,840,035.34	953,579.00	3,561,554.22	1,232,060.12	No
天津金凯鑫企业管理合伙企业 (有限合伙) (Tianjin Jinkaixin Enterprise Management Partnership Enterprise (LP)*)	41,864,086.81	50,844,192.19	43,151,646.00	35,044,947.00	33,450,695.47	44,745,897.53	No
天津金瑞辉企业管理合伙企业 (有限合伙) (Tianjin Jinruihui Enterprise Management Partnership Enterprise (LP)*)	6,204,000.00	14,476,000.00	7,950,376.00	2,541,090.00	8,909,384.28	1,582,081.72	No
天津金泰鼎企业管理合伙企业 (有限合伙) (Tianjin Jintaiding Enterprise Management Partnership Enterprise (LP)*)	10,952,273.40	14,191,326.60	12,341,174.00	14,490,318.00	13,047,772.53	13,783,719.47	No
天津金泰辉企业管理合伙企业 (有限合伙) (Tianjin Jintaihui Enterprise Management Partnership Enterprise (LP)*)	21,811,231.86	50,892,874.34	47,303,352.00	28,176,736.00	25,080,973.00	50,399,115.00	No
天津金耀辉企业管理合伙企业 (有限合伙) (Tianjin Jinyaohui Enterprise Management Partnership Enterprise (LP)*)	81,579,928.50	190,353,166.50	181,922,522.00	235,104,775.00	239,379,442.85	177,647,854.15	No

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Co-investment companies	Capital input		Capital return				Whether overrun
	Equity capital input	Debt capital input	Debt capital return (A)	Idle funds on loan (B)	Funds lent by co-investment companies to commercial companies (C)	Net amount of funds actually returned or on loan (D=A+B+C)	
Partnership Enterprise (LP)*							
天津金致企业管理合伙企业（有限合伙） (Tianjin Jinzhi Enterprise Management Partnership Enterprise (LP)*)	4,055,175.00	8,414,825.00	5,339,714.00	297,918.00	1,909,605.00	3,728,027.00	No
天津金天耀企业管理合伙企业（有限合伙） (Tianjin Jintianyao Enterprise Management Partnership Enterprise (LP)*)	3,797,850.00	8,861,650.00	4,546,735.00	591,929.00	3,415,834.00	1,722,830.00	No
天津金赣未来企业管理合伙企业（有限合伙） (Tianjin Jingan Future Enterprise Management Partnership Enterprise (LP)*)	1,012,500.00	2,362,500.00	889,051.00	301,266.00	443,982.00	746,335.00	No
天津金百嘉企业管理合伙企业（有限合伙） (Tianjin Jinbajia Enterprise Management Partnership Enterprise (LP)*)	315,000.00	735,000.00					No
天津金湘未来企业管理合伙企业（有限合伙） (Tianjin Jinxiang Future Enterprise Management Partnership Enterprise (LP)*)	476,483.40	1,111,794.60	653,742.00			653,742.00	No
Total	428,093,355.27	801,175,035.94	691,024,257.34	743,336,856.52	701,210,290.65	733,150,823.21	

3. Implementation of employee stock ownership plans

(1) Excellence win-win plan and employee stock ownership plan

Pursuant to the Proposal on the Company's Excellence Win-Win Plan and Employee Stock Ownership Plan (Draft) and Relevant Summary deliberated and approved by the 33rd meeting of the tenth session of Board of Directors dated May 20, 2019 and the fourth extraordinary shareholders' meeting of 2019 dated June 6, 2019, the main terms of the above plan are as follows:

1) Scale of the plan

According to the plan, the total number of shares held by all valid employee stock ownership plans should not exceed 10% of the Company's total share capital in aggregate, and the total number of shares corresponding to the equity acquired by an individual participant shall not exceed 1% of the total share capital in aggregate.

2) Fund sources of the plan

The sources could be employee's legitimate remuneration, self-funding, funds raised through financing and other means permitted by laws and administrative regulations such as special funds accrued by the Company, of which, the appropriation of special funds would be determined based

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on the following method:

For the growth ratio of the audited net profit attributable to the parent company of any year of 2019, 2020, 2021 or 2022 (hereinafter referred to as the assessment year) compared to the net profit of 3.89 billion yuan in 2018, if it is not less than the net profit growth target corresponding to each assessment year in the following table, the special fund for the next assessment year would be appropriated at 3.5% of the net profit in the current assessment year. The growth ratios for each assessment year are as follows:

Year	2019	2020	2021	2022
Net profit growth target	30%	60%	90%	110%

The special funds are treated as the sources of subsequent employee stock ownership plans in this plan. The Company would appropriate special funds within one month since the date of disclosing the annual audited financial report for the current assessment year based on the above-mentioned rules; one month later after appropriation of the special funds, the President Office would decide a pre-distribution of the special funds to participants and submit the employee stock ownership plan to the Board of Directors for deliberation and implementation.

(2) Excellence win-win plan and phase I plan of employee stock ownership plans from 2019 to 2023

Pursuant to the Proposal on the Company's Excellence Win-Win Plan and Phase I Plan of Employee Stock Ownership Plans from 2019 to 2023 and Relevant Summary deliberated and approved by the 41st meeting of the tenth session of Board of Directors dated December 9, 2019 and the tenth extraordinary shareholders' meeting of 2019 dated December 20, 2019, the main terms of the above plan are as follows:

The holders of current plan include directors (excluding independent directors), supervisors, senior managements and employees of the Company, with total expected number not over 2,500 people. The total amount of the funds planned should not exceed 2.5 billion yuan, of which, funds raised by employees should not exceed 1.25 billion yuan, fund raised through means permitted by laws and regulations should not exceed 1.25 billion yuan. The Company's shares would be mainly purchased by auction trading and bulk transactions in the current plan. Based on the Company's closing price of 6.91 yuan per share as at December 6, 2019, which is adopted as the average purchase price, the estimated number of shares involved in the current plan is 362 million shares, approximately accounting for 6.77% of the Company's total share capital. The duration of the current plan would be 36 months from the date of approval by the general shareholders' meeting, with a lock-up period of 24 months. Mr. Huang Hongyun, the actual controller of the Company, would provide the principal and benefit guarantee for the employees participating the current plan to ensure an annualized return of 6% on funds raised by employees in the form of cash.

(3) Availability and use of funds

As of December 31, 2019, the special account (opened by the Company on behalf) for raising

funds for phase I plan had received funds raised by employees totaling 771,240,001.02 yuan. Additionally, according to Cooperation Agreement on the Management of Funds Under the Employee Stock Ownership Plans entered into between the Management Committee of the phase I plan and the Company, the sinking fund retained in the special account before the purchase of the Company's shares would form a cooperative relationship to satisfy the Company's operation demands. The sinking fund usage fee would be calculated based on the annualized average cost of funds obtained from financial institutions in the current year, the number of days occupied and the balance of funds occupied. In the reporting period, the Company accrued the fund usage fee of 13,826,600 yuan based on the actual usage of the sinking fund.

The Company has engaged Guosen Securities Co., Ltd. as the asset manager of the phase I plan. As of the date of this financial report, under the phase I plan, a total of 51,523,981.00 shares had been purchased accumulatively through centralized bidding at Shenzhen Stock Exchange under the Excellence Win-Win Employee Stock Ownership Plan No.1 of Single Asset Management of Guosen Securities & Jinke Property, accounting for 0.96% of the total share capital of the Company, with average transaction price of 6.58 yuan per share.

XV. Notes to items of parent company financial statements

(I) Notes to items of parent company balance sheet

1. Accounts receivable

(1) Details

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	12,314,902.65	100.00	2,305,268.22	18.72	10,009,634.43
Total	12,314,902.65	100.00	2,305,268.22	18.72	10,009,634.43

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	27,866,393.51	100.00	2,262,457.13	8.12	25,603,936.38

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Total	27,866,393.51	100.00	2,262,457.13	8.12	25,603,936.38

2) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
House sales receivables	12,267,279.65	2,257,645.22	18.40
Other operating receivables	47,623.00	47,623.00	100.00
Subtotal	12,314,902.65	2,305,268.22	18.72

3) Accounts receivable with provision made on a collective basis based on the comparison table of age and expected credit loss rate

① Portfolio grouped with balances of house sales

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	55,205.00	828.08	1.50
1-2 years	1,265,426.56	63,271.33	5.00
2-3 years	10,932,594.09	2,186,518.81	20.00
3-5 years	14,054.00	7,027.00	50.00
Subtotal	12,267,279.65	2,257,645.22	18.40

② Portfolio grouped with other operating receivables

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Over 5 years	47,623.00	47,623.00	100.00
Subtotal	47,623.00	47,623.00	100.00

(2) Changes in provision for bad debts

1) Details

Items	Opening balance	Increase			Decrease			Closing balance
		Accrual	Recovery	Others	Reversal	Write-off	Others	
Receivables with provision made on a collective basis	2,262,457.13	42,811.09						2,305,268.22
Subtotal	2,262,457.13	42,811.09						2,305,268.22

(3) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Customer 1	167,453.33	1.36	33,490.67
Customer 2	111,349.95	0.90	22,269.99
Customer 3	110,000.00	0.89	22,000.00
Customer 4	57,916.00	0.47	11,583.20
Customer 5	57,904.76	0.47	11,580.95
Subtotal	504,624.04	4.09	100,924.81

2. Other receivables

(1) Details

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Including: Dividend receivable	2,578,927,565.14	2.58			2,578,927,565.14
Other receivables					
Receivables with provision made on a collective basis					
Including: Dividend receivable					
Other receivables	97,209,270,224.03	97.42	46,392,817.30	0.05	97,162,877,406.73
Total	99,788,197,789.17	100.00	46,392,817.30	0.05	99,741,804,971.87

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Including: Dividend receivable	2,368,337,000.00	2.74			2,368,337,000.00
Other receivables					
Receivables with provision made on a collective basis					
Including: Dividend receivable					
Other receivables	84,212,601,649.96	97.26	42,712,897.59	0.05	84,169,888,752.37
Receivable of individually insignificant amount but with provision made on					

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
an individual basis					
Total	86,580,938,649.96	100.00	42,712,897.59	0.05	86,538,225,752.37

2) Other receivables with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision made
Dividend receivable	2,578,927,565.14			
Subtotal	2,578,927,565.14			

3) Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from associates and joint ventures	3,365,292,194.62	3,365,292.19	0.10
Portfolio grouped with deposits	115,924,947.88	57,962.47	0.05
Portfolio grouped with balances due from related parties within the consolidation scope	93,627,363,229.73		
Portfolio grouped with other balances	100,689,851.80	42,969,562.64	42.68
Subtotal	97,209,270,224.03	46,392,817.30	0.05

(2) Ages

Items	Closing book balance
Within 1 year	84,509,383,935.67
1-2 years	12,161,114,389.25
2-3 years	146,365,200.86
3-4 years	53,483,520.61
4-5 years	77,745,612.04
Over 5 years	261,177,565.60
Subtotal	97,209,270,224.03

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	847,930.51	41,864,967.08		42,712,897.59
Opening balance in current period				
--Transferred to phase II				

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
--Transferred to phase III	-1,425.00	1,425.00		
--Reversed to phase II				
--Reversed to phase I				
Provision made in current period	3,719,174.76	-39,255.05		3,679,919.71
Provision recovered in current period				
Provision reversed in current period				
Provision written off in current period				
Other changes				
Closing balance	4,565,680.27	41,827,137.03		46,392,817.30

(4) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposits	115,924,947.88	52,119,079.98
Balances due from related parties within the consolidation scope	93,627,363,229.73	81,264,463,043.34
Balances due from associates and joint ventures	3,365,292,194.62	2,798,443,873.64
Others	100,689,851.80	97,575,653.00
Total	97,209,270,224.03	84,212,601,649.96

(5) Details on dividend receivable

Items	Closing balance	Opening balance
Chongqing Jinke	650,000,000.00	400,000,000.00
重庆金科金裕房地产开发有限公司 (Chongqing Jinke Jinyu Real Estate Development Co., Ltd.*)		42,000,000.00
Chengdu Jinke Real Estate Development Co., Ltd.	279,000,000.00	279,000,000.00
无锡金科房地产开发有限公司 (Wuxi Jinke Real Estate Development Co., Ltd.*)		100,000,000.00
Qingke Trading	132,000,000.00	132,000,000.00
重庆市金科实业集团科润房地产开发有限公司 (Chongqing Jinke Industry Group Kerun Real Estate Development Co., Ltd.*)		1,010,000,000.00
金科集团苏州房地产开发有限公司 (Jinke Group Suzhou Real Estate Development Co., Ltd.*)		8,000,000.00

* The English names are for identification purpose only.

Items	Closing balance	Opening balance
Jinke Junyao	239,545,139.61	170,500,000.00
遵义金科房地产开发有限公司 (Zunyi Jinke Real Estate Development Co., Ltd.*)		100,837,000.00
重庆市江津区金科国竣置业有限公司 (Chongqing Jiangjin Jinke Guojun Property Co., Ltd.*)		126,000,000.00
Hongjing Real Estate	1,268,445,747.62	
重庆中讯物业发展有限公司 (Chongqing Zhongxun Property Development Co., Ltd.*)	9,936,677.91	
Total	2,578,927,565.14	2,368,337,000.00

(6) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Wuxi Jinke Real Estate Development Co., Ltd.	Balances due from related parties within the consolidation scope	6,944,018,720.29	Within 1 year	7.14	
Shandong Baijun Real Estate Development Co., Ltd.	Balances due from related parties within the consolidation scope	4,185,933,525.73	Within 1 year	4.31	
Chongqing Jinke	Balances due from related parties within the consolidation scope	4,864,507,085.22	Within 1 year	5.00	
成都市江龙投资有限公司 (Chengdu Jianglong Investment Co., Ltd.*)	Balances due from related parties within the consolidation scope	3,699,842,614.70	Within 1 year	3.81	
郑州金科百俊房地产开发有限公司 (Zhengzhou Jinke Baijun Real Estate Development Co., Ltd.*)	Balances due from related parties within the consolidation scope	3,345,645,133.75	Within 1 year	3.44	
Subtotal		23,039,947,079.69		23.70	

3. Long-term equity investments

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	21,726,983,493.48		21,726,983,493.48	21,609,146,451.49		21,609,146,451.49
Investments in associates and joint ventures	1,346,836,188.10		1,346,836,188.10	645,394,943.94		645,394,943.94
Total	23,073,819,681.58		23,073,819,681.58	22,254,541,395.43		22,254,541,395.43

(2) Investments in subsidiaries

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
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* The English names are for identification purpose only.

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Chongqing Jinke	12,779,410,866.18	98,176,780.79		12,877,587,646.97		
陕西金润达房地产开发有限公司 (Shaanxi Jinrunda Real Estate Development Co., Ltd.*)	102,000,000.00		91,800,000.00	10,200,000.00		
Jinke Services	37,500,000.00			37,500,000.00		
金科产业投资发展有限公司 (Jinke Industry Investment Development Co., Ltd.*)	500,000,000.00			500,000,000.00		
Jinke New Energy	1,493,000,000.00	507,000,000.00		2,000,000,000.00		
重庆市金科坤合投资有限公司 (Chongqing Jinke Kunhe Investment Co., Ltd.*)	48,000,000.00			48,000,000.00		
Qingke Trading	176,000,000.00			176,000,000.00		
Hunan Jinke	747,900,000.00		747,900,000.00			
Beijing Jinke Xingyuan Property Co., Ltd.	140,000,000.00			140,000,000.00		
Chongqing Kelsinki	100,000,000.00			100,000,000.00		
Chongqing Zhongxun Property Development Co., Ltd.	172,200,000.00			172,200,000.00		
Hongjing Real Estate	49,985,097.87			49,985,097.87		
北京金科弘居置业有限公司 (Beijing Jinke Hongju Real Estate Co., Ltd.*)	697,100,000.00			697,100,000.00		
重庆市金科科鹏商业管理公司 (Chongqing Jinke Kepeng Business Management Co., Ltd.*)	5,000,000.00			5,000,000.00		
Jinke Junyao	1,184,908,816.47			1,184,908,816.47		
重庆市璧山区金科众玺置业有限公司 (Chongqing Bishan Jinke Zhongxi Property Co., Ltd.*)	400,000,000.00			400,000,000.00		
济南金科西城房地产开发有限公司 (Jinan Jinke Xicheng Real Estate Development Co., Ltd.*)	510,000,000.00			510,000,000.00		
Chongqing Qingheng Trading Co., Ltd.	49,810,000.00			49,810,000.00		
Chongqing Jiangjin Jinke Guojun Property Co., Ltd.	987,424,013.72			987,424,013.72		
重庆市金科文化旅游投资有限责任公司	86,400,000.00			86,400,000.00		

* The English names are for identification purpose only.

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
(Chongqing Jinke Cultural Tourism Investment Co., Ltd.*)						
Chengdu Jianglong Investment Co., Ltd.	394,000,000.00			394,000,000.00		
深圳金科产业投资基金管理有限责任公司 (Shenzhen Jinke Industry Investment Fund Management Co., Ltd.*)	50,000,000.00			50,000,000.00		
Xinjiang Huaran	542,087,958.01		542,087,958.01			
Jinke Real Estate Group Wuhan Co., Ltd.		1,142,625,000.00		1,142,625,000.00		
重庆金科金辰酒店管理 有限公司 (Chongqing Jinke Jincheng Hotel Management Co., Ltd.*)	2,000,000.00			2,000,000.00		
深圳金科泽大置业有限公司 (Shenzhen Jinke Zeda Property Co., Ltd.*)	12,000,000.00			12,000,000.00		
Yunnan Jinwanzhong	15,867,918.45			15,867,918.45		
金科金教育投资有限公司 (Jinke Golden Education Investment Co., Ltd.*)	25,000,000.00			25,000,000.00		
重庆蓬得企业管理 有限公司 (Chongqing Pengde Enterprise Management Co., Ltd.*)	2,000,000.00			2,000,000.00		
金科(重庆)产业股权投资 基金管理有限责任公司 (Jinke (Chongqing) Industrial Equity Investment Fund Management Co., Ltd.*)	38,250,000.00			38,250,000.00		
Chongqing Jinke Architectural Design and Research Institute Co., Ltd.	13,125,000.00			13,125,000.00		
重庆市元方房地产开发 有限公司 (Chongqing Yuanfang Real Estate Development Co., Ltd.*)	92,704,222.76		92,704,222.76			
重庆文乾房地产开发 有限公司 (Chongqing Wenqian Real Estate Development Co., Ltd.*)	155,472,558.03		155,472,558.03			

* The English names are for identification purpose only.

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Subtotal	21,609,146,451.49	1,747,801,780.79	1,629,964,738.80	21,726,983,493.48		

(3) Investments in associates and joint ventures

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Associates					
Yinhai Lease	79,871,856.52			6,872,805.18	
Nanning Sunac	479,705,601.38			-19,275,104.79	
Linquan Jiarun				-651,624.32	
Subtotal	559,577,457.90			-13,053,923.93	
Joint ventures					
Jinke Junzhi	13,714,261.84			-4,060,380.11	
Fujian Hilton	72,103,224.20			-6,909,566.98	
Hunan Jinke		837,059,863.38		-111,594,748.20	
Subtotal	85,817,486.04	837,059,863.38		-122,564,695.29	
Total	645,394,943.94	837,059,863.38		-135,618,619.22	

(Continued)

Investees	Increase/Decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Associates						
Yinhai Lease					86,744,661.70	
Nanning Sunac					460,430,496.59	
Linquan Jiarun					-651,624.32 [Note]	
Subtotal					546,523,533.97	
Joint ventures						
Jinke Junzhi					9,653,881.73	
Fujian Hilton					65,193,657.22	
Hunan Jinke					725,465,115.18	
Subtotal					800,312,654.13	
Total					1,346,836,188.10	

Note: As the subscribed registered capital of the associate hasn't been paid in and hasn't been paid fully, and the unrealized revenue of the associate suffers staged loss on pre-project, the balance of long-term equity investment is temporarily negative under equity method.

(II) Notes to items of the parent company income statement

1. Operating revenue/Operating cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	32,028,826.43	31,943,028.84	64,457,628.69	91,092,224.89
Other operations [Note]	1,108,532,884.17	322,656,580.53	1,078,566,661.47	316,685,940.49
Total	1,140,561,710.60	354,599,609.37	1,143,024,290.16	407,778,165.38

Note: Revenue from other operations amounting to 1,108,532,884.17 yuan is mainly revenue from consulting services rendered by the Company to its subsidiaries.

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	5,515,396,370.39	3,481,708,248.34
Investment income from long-term equity investments under equity method	-135,618,619.22	-1,080,422.04
Gains on disposal of long-term equity investments		-9,821,122.43
Investment income from financial instruments	1,278,022.36	
Including: Debt investments	1,278,022.36	
Investment income from available-for-sale financial assets		2,149,726.03
Total	5,381,055,773.53	3,472,956,429.90

XVI. Other supplementary information

(I) Non-recurring profit or loss

1. Schedule of non-recurring profit or loss

Items	Amount	Remarks
Gains on disposal of non-current assets, including write-off of provision for impairment	963,894.94	
Tax refund, credit or exemption approved beyond the power of authorities, without formal documents, or with occasionality		
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity/quota based on certain standards)	153,712,526.14	
Fund possession charge from non-financial entities and included in profit or loss		
Gains on acquisition of subsidiaries, joint ventures and associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		

Items	Amount	Remarks
Gains on assets consigned to the third party for investment or management	1,095,997.81	
Gains on changes in fair value of financial assets and liabilities at fair value through profit or loss and investment income from disposal of financial assets and liabilities at fair value through profit or loss, and available-for-sale financial assets, excluding those arising from hedging business related to operating activities		
Gains on changes in fair value of investment properties with subsequent measurement at the fair value mode	95,873,271.19	
Other non-operating revenue or expenditures	-286,010,697.28	
Other profit or loss satisfying the definition of non-recurring profit or loss		
Subtotal	-34,365,007.20	
Less: Enterprise income tax affected	-1,992,971.50	
Non-controlling interest affected (after tax)	26,729,598.84	
Net non-recurring profit or loss attributable to shareholders of the parent company	-59,101,634.54	

(II) RONA and EPS

1. Details

Profit of the reporting period	Weighted average RONA (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	23.63	1.05	1.05
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	23.88	1.07	1.06

2. Calculation process of weighted average RONA

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares [Note 1]	A	5,599,326,257.49
Non-recurring profit or loss	B	-59,101,634.54
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	5,658,427,892.03
Opening balance of net assets attributable to shareholders of ordinary shares [Note 1]	D	21,480,765,416.54
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E	
Number of months counting from the next month when the net assets were increased to the end of the reporting period	F	
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	1,903,863,893.76
Number of months counting from the next month when the net assets were decreased to the end of the	H	8.00

Items	Symbols	Current period cumulative	
reporting period			
Others	Effect of change in tax rate of subsidiaries on the other comprehensive income	I1	-69,819,722.44
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J1	12.00
	Investment properties converted from inventories	I2	732,490,272.08
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J2	6.00
	Investment properties converted from inventories	I3	311,198,379.04
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J3	0.00
	Effects of the other comprehensive income under equity method	I4	7,813,153.67
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J4	0.00
	Cost of equity incentive recognized in the current period and deferred income taxes	I5	22,770,946.58
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J5	6.00
	Equity transactions of Jinke Real Estate Group Wuhan Co., Ltd.	I6	353,119,714.11
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J6	12.00
	Equity transactions of Zunyi Chenliang Real Estate Co., Ltd.	I7	-4,218,304.62
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J7	12.00
	Equity transactions of New Start Decoration and Hunan Jinke Jingchao Industry Operation Management Co., Ltd.	I8	-1,070,569.77
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J8	12.00
	Equity transactions of Hunan Jinke	I9	38,570,495.36

Items	Symbols	Current period cumulative
Jingchao Industry Development Co., Ltd.		
Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J9	10.00
Number of months in the reporting period	K	12.00
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K \pm I \times J/K$	23,698,969,755.52
Weighted average RONA	$M = A/L$	23.63%
Weighted average RONA after deducting non-recurring profit or loss	$N = C/L$	23.88%

3. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares [Note 1]	A	5,599,326,257.49
Non-recurring profit or loss	B1	-59,101,634.54
Dividend of restricted shares [Note 2]	B2	15,560,100.00
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$C = A - B1 - B2$	5,642,867,792.03
Opening balance of total shares	D	5,296,493,316.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F1	
Number of months counting from the next month when the share was increased to the end of the reporting period	G1	
Number of shares increased due to unlocking of restricted shares	F2	
Number of months counting from the next month when the share was increased to the end of the reporting period	G2	
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the share was decreased to the end of the reporting period	I	
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12.00
Weighted average of outstanding ordinary shares	$L = D + E + F \times G/K - H \times I/K - J$	5,296,493,316.00
Basic EPS	$M = (A - B2)/L$	1.05
Basic EPS after deducting non-recurring profit or loss	$N = C/L$	1.07

(2) Calculation process of diluted EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares [Note 1]	A	5,599,326,257.49
Net profit affected by dilutive potential ordinary shares	B	
Diluted net profit attributable to shareholders of ordinary shares	$C=A-B$	5,599,326,257.49
Non-recurring profit or loss	D	-59,101,634.54
Diluted net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$E=C-D$	5,658,427,892.03
Weighted average of outstanding ordinary shares	F	5,296,493,316.00
Weighted average of ordinary shares increased due to warrant, share options, and convertible bonds, etc. [Note 3]	G	22,044,462.92
Weighted average of diluted outstanding ordinary shares	$H=F+G$	5,318,537,778.92
Diluted EPS	$M=C/H$	1.05
Diluted EPS after deducting non-recurring profit or loss	$N=E/H$	1.06

Note 1: The net profit and opening net assets attributable to shareholders of ordinary shares is the amount of net profit attributable to owners of the parent company in the income statement and owner's equity of the parent company in the balance sheet after the consideration of effects from other equity instruments.

Note 2: In accordance with the Interpretation No.7 to the CASBEs (Cai Kuai [2015] No. 19) issued by the MOF on November 4, 2015, the numerator should be deducted from the current cash dividend distributed to holders of restricted shares that expected to be unlocked in the future and the denominator should not contain the number of shares of restricted shares.

Note 3: In accordance with the Interpretation No.7 to the CASBEs (Cai Kuai [2015] No.19) issued by the MOF on November 4, 2015, the calculation of diluted EPS in the vesting period of restricted shares shall assume that the restricted shares not yet unlocked as of the balance sheet date have been unlocked at the beginning of the current period (or later than the grant date), and consider the dilution of restricted shares in accordance with relevant provisions on share options in "CASBE 34 – Earnings Per Share", meanwhile the current cash dividend distributed to holders of restricted shares that expected to be unlocked in the future or net profits attributable to these restricted shares should be added back to the numerator, which have been deducted in the calculation of the numerator of basic EPS.

Jinke Property Group Co., Ltd.

March 22, 2020

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