



金地（集团）股份有限公司

科 学 筑 家

ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE 5TH MEETING OF THE EIGHTH SESSION OF THE BOARD OF SUPERVISORS

The Board of Supervisors of the Company and all its supervisors hereby warrant that there are no false representations, misleading statements or material omission in this announcement, and they individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of the contents contained herein.

The 5th meeting of the eighth session of the Board of Supervisors of Gemdale (Group) Co., Ltd. (hereinafter referred to as the "Company") was held at Gemdale Corporation's Headquarters in Shenzhen on 16 April 2017. The meeting was convened and chaired by Mr. Yang Weimin, Chairman of the Board of Supervisor. Five supervisors were supposed to be present at the meeting, all of the five supervisors attended at the meeting. The meeting was convened and held in compliance with relevant requirements of the Company Law of the PRC, Securities Law of the PRC and the Articles of Association. The meeting considered and adopted the following proposals:

1. "The Report of the Board of Supervisors for 2017" was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.

The proposal was subjected to be considered at the general meeting of shareholders of the Company.

2. "The Internal Control Assessment Report of the Company for 2017" was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.

According to relevant regulations of the Basic Rules for Internal Control of Enterprises jointly issued by the MOF, the CSRC and other ministries, the Guidelines for Internal Control of Listed Companies and the Notice on Preparation of the 2017 Annual Report in an Orderly Manner by Listed Companies issued by the SSE, the Board of Supervisors expresses the following opinions on the internal control assessment report of the Company:

(1) According to relevant regulations of the CSRC and the SSE, on the basic principle for internal control, and based on its specific conditions, the Company

established an improved internal control system which ensured usual operation of the Company and protected safety and integrity of assets of the Company.

(2) The Company had complete organizational structure for internal control which ensured performance of key internal control initiatives and adequate and effective supervision.

(3) In the year of 2017, there was no circumstance in which the Company violated the Guidelines for Internal Control of Listed Companies issued by the SSE and internal control rules of the Company.

The Board of Supervisors reviewed the internal control assessment report of the Company and did not have any objection to it.

Overall, the Board of Supervisors believes that the internal control assessment report gives a full, truthful and accurate view of internal control conditions of the Company.

3. “The Company’s CSR report for 2017” was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.

After reviewing “The Company’s CSR report for 2017”, the Board of Supervisors of the Company considered that the preparation of the CSR report is in compliance with the Notice on Strengthening the Fulfillment of Corporate Social Responsibility by Listed Companies and the Guidelines of the Shanghai Stock Exchange on Disclosure of Environment Information for Listed Companies released by the Shanghai Stock Exchange, and the information contained therein truly reflects the contribution made by the Company in undertaking its social responsibility as a corporate citizen.

4. “The Company’s 2017 Annual Report” was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.

After reviewing the 2017 Annual Report and financial statements prepared by the Board of Directors, the Board of Supervisors of the Company considered that:

1). The preparation of the Company’s 2017 Annual Report and the procedures for reviewing the 2017 Annual Report are in compliance with the laws, regulations, provisions of the Articles of Association of the Company and all stipulations of the Company’s internal control system;

2). The contents and format of the Company’s Annual Report are in compliance with all requirements of the CSRC and the SSE, and the information contained therein truly reflects the operating results and the financial position of the Company in 2017;

3). The content of the Company’s 2017 Annual Report is truthful, accurate and complete, and there are no false representations, misleading statements or material omission contained therein.

4). As at the time of expressing these opinions, the Board of Supervisors has not detected any violation of confidentiality provision by any person involved in preparing and reviewing the Annual Report.

5. “The Resolution on the Changes in Accounting Policies” was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.

On 28 April 2017, the Ministry of Finance (the “MOF”) promulgated the Notice on Issuing Accounting Standards for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations (Cai Kuai [2017] No. 13), which shall be implemented from 28 May 2017; on 10 May 2017, the MOF promulgated the Notice on Issuing the Revised Accounting Standard for Business Enterprises No. 16 – Government Grants (Cai Kuai [2017] No. 15), which shall be implemented from 12 June 2017; on 25 December 2017, the MOF promulgated the Notice on Revising and Issuing the Format of Financial Statements of General Enterprises (Cai Kuai [2017] No. 30) (the "Notice"), pursuant to which, non-financial enterprises that adopt Accounting Standards for Business Enterprises shall prepare their financial statements for 2017 and the subsequent periods in accordance with the requirements of Accounting Standards for Business Enterprises and the Notice. Due to the promulgation or revise of the accounting standards mentioned above, the previous accounting policies of the Company shall be changed accordingly and start to be implemented as from the commencement dates specified in the above documents.

Subsequent to this change, the Company implemented Accounting Standards for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations and the revised Accounting Standard for Business Enterprises No. 16 – Government Grants. The Company prepared its financial statements for 2017 and the subsequent periods in accordance with the requirements of the Notice on Revising and Issuing the Format of Financial Statements of General Enterprises promulgated by the MOF. For the purpose of any parts that have remained unchanged, the original “Accounting Standards for Business Enterprises – Basic Standards” and various specific accounting standards, application guidance and interpretations announcements to the Accounting Standards for Business Enterprises and other related regulations promulgated by the MOF will be adopted.

According to the relevant provisions of Accounting Standard for Business Enterprises No. 16 – Government Grants, the governmental subsidy related to the daily activities shall be charged to other income according to the nature of such business transactions; and the governmental subsidy not related to the daily activities shall continue to be charged to non-operating income. The prospective application method is applied to the changes of this accounting policy, and thus there is no need to restate the comparative figures. According to the relevant provisions of Accounting Standards for Business Enterprises No. 42 – Non-current Assets Held for Sale,

Disposal Groups and Discontinued Operations, the gains and losses generated from disposal of non-current assets which were previously presented in "non-operating income" and "non-operating expenses" shall be presented in "gains on disposal of assets". The retrospective adjustment method is applied to the changes of this accounting policy, and the Company has restated the comparative figures. As a result of the changes in this accounting policy, the Company has made downward adjustments of RMB830,660.03 on non-operating income and RMB482,449.74 on non-operating expenses respectively for the year of 2016 and made an upward adjustment of RMB348,210.29 on gains on disposal of assets for the year of 2016.

These changes in the accounting policies only have effects on presentation of financial statements of the Company, and have no effect on the Company's net profit and net assets.

By order of the Board of Supervisors of

Gemdale Corporation

18 April 2018