



金地（集团）股份有限公司  
科 学 筑 家

**ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE 9TH 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 9th 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 28 April 2019. 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, and four of the five supervisors attended at the meeting. Mr. Xu Qian, the supervisor, appointed Mr. Yang Weimin, the Chairman of the Board, to attend the meeting and vote on his behalf since he was unable to attend the meeting in person due to other business commitments. 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 2018" 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 2018" 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 2018 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 2018, 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 2018” 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 2018”, 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 2018 Annual Report” was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes.**

After reviewing the 2018 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 2018 Annual Report and the procedures for reviewing the 2018 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 2018;

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.**

In 2017, the Ministry of Finance (the “MOF”) promulgated respectively Accounting Standards for Business Enterprises No. 22 –Recognition and Measurement of Financial Instruments (revised in 2017) (Cai Kuai [2017] No.7); Accounting Standards for Business Enterprises No. 23 –Transfer of Financial Assets (revised in 2017) (Cai Kuai [2017] No. 8); Accounting Standards for Business Enterprises No. 24– Hedging Accounting (revised in 2017) (Cai Kuai [2017] No. 9); and Accounting Standards for Business Enterprises No. 37– Presentation and Reporting of Financial Instruments (revised in 2017) (Cai Kuai [2017] No.14) (All standards as above shall be collectively known as “New Financial Instruments Standards”), which shall be implemented by all domestically listed enterprises from 1 January 2019.

Due to the implementation of new changes in accounting standards as above, the Company had made corresponding adjustments to prevailing accounting policies. The New Financial Instruments Standards are implemented from 1 January 2019.

This major impacts on the Company from these changes in the accounting policies are as follows:

(1) Content and effects of change in format for financial statements

With the implementation of the New Financial Instruments Standards, new items to be added to the balance sheet shall include “Transactional financial assets”, “Debts investment”, “Other debt investments”, “Other equity investments” and “Transactional financial liabilities”, etc.; New items to be added to the Profit column include “Credit impairment losses”, “Gains on exposure hedges”, “Fair value changes on other equity investments”, “Fair value changes on other debt investments”, “Amount of financial assets reclassified to other comprehensive income”, “Provisions on credit impairment for other debt investments”, “Cash flow hedge reserve”, etc.; and the statement of changes in equity to add the item of “Other comprehensive income carried over to retained earnings”.

(2) Major changes introduced by the New Financial Instruments Standards are as follows:

1. The “business model” of financial assets held by enterprises and the “cash flow characteristics of financial assets contracts” are adopted as the basis for defining the classification of financial assets. Financial assets are classified into three types:

“financial assets measured at amortized cost”, “financial assets at fair value through other comprehensive income”, and “financial assets at fair value through profit or loss”;

2. Adjustment is made to the accounting treatment of non-trading equity instrument investments. It is now allowable for enterprises to designate a non-trading equity instrument to be treated as a financial asset measured at fair value through other comprehensive income and to designate it as irrevocable, and at the time of disposal, to transfer accumulated gains or losses that have previously been included in other comprehensive income to retained earnings, which shall not be carried forward to the current profits or losses;

3. The impairment accounting of financial assets is changed from “incurred loss model” to the “expected loss model”, which requires the consideration of future expected credit losses of financial assets, so as to make provisions for impairment of financial assets in a more timely and adequate manner;

4. Further clarify the principle for judging financial asset transfer and its accounting treatment;

5. The hedging accounting standards emphasize the organic combination of hedging accounting and enterprise risk management activities, which serves to better reflect the risk management activities of enterprises.

According to the transition requirements of the New Financial Instruments Standards, the Company is not required to restate comparative figures, and the information presented in the comparative financial statements which is inconsistent with the requirements of the new standards is not required to be adjusted. Difference between the new standards and the original standards on the first date of implementation shall be adjusted and included in the retained earnings or other comprehensive income at the beginning of 2019, and be disclosed in the accounting statement as required by the New Financial Instruments Standards, starting from the first quarterly financial report of 2019. The changes in accounting policies will not affect the Company's 2018 annual financial indicators.

**6. “The First Quarterly Report for 2019” was passed by The Board of Supervisors with 5 affirmative votes, 0 objected votes and 0 abstained votes**

After reviewing the First Quarterly Report for 2019 prepared by the Board of Directors, the Board of Supervisors of the Company considered that:

1). The preparation of the Company’s First Quarterly Report for 2019 and the procedures for reviewing the First Quarterly Report for 2019 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 the first quarter of 2019;

3). The content of the Company's First Quarterly Report for 2019 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.

By order of the Board of Supervisors of

Gemdale Corporation

30 April 2019