



融信中國控股有限公司
RONSHINE CHINA HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 3301

2020

INTERIM REPORT

SUSTAINABLE GROWTH THROUGH
COMMITMENT TO EXCELLENCE



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ou Zonghong
(Chairman and Chief Executive Officer)
 Ms. Yu Lijuan
 Ms. Zeng Feiyan
 Mr. Ruan Youzhi
 Mr. Zhang Lixin *(Chief Financial Officer)*

Non-executive Director

Ms. Chen Shucui

Independent Non-executive Directors

Mr. Ren Yunan
 Mr. Qu Wenzhou
 Mr. Ruan Weifeng

AUDIT COMMITTEE

Mr. Qu Wenzhou *(Chairman)*
 Mr. Ren Yunan
 Mr. Ruan Weifeng

REMUNERATION COMMITTEE

Mr. Ren Yunan *(Chairman)*
 Mr. Ou Zonghong
 Mr. Qu Wenzhou

NOMINATION COMMITTEE

Mr. Ou Zonghong *(Chairman)*
 Mr. Qu Wenzhou
 Mr. Ruan Weifeng

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor
 22/F, Prince's Building
 Central
 Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
 Sidley Austin

As to Cayman Islands law:
 Conyers Dill & Pearman

As to PRC law:
 Dentons Law Offices, LLP

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
 Cricket Square
 Hutchins Drive
 P.O. Box 2681, Grand Cayman, KY1-1111
 Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
 Shops 1712–1716, 17th Floor
 Hopewell Centre
 183 Queen's Road East, Wanchai
 Hong Kong

REGISTERED OFFICE

Cricket Square
 Hutchins Drive
 P.O. Box 2681, Grand Cayman, KY1-1111
 Cayman Islands

Corporate Information

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Building L1B, Hongqiao World Center
Lane 1588, Zhuguang Road
Qingpu District
Shanghai
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1210, 12/F
ICBC Tower
3 Garden Road
Central
Hong Kong

JOINT COMPANY SECRETARIES

Mr. Yu Zuoyi
Ms. Ng Wing Shan (*FCS, FICS*)

AUTHORISED REPRESENTATIVES

Mr. Ou Zonghong
Ms. Ng Wing Shan

PRINCIPAL BANKERS

Bank of China Limited
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited

WEBSITE

www.rongxingroup.com

STOCK CODE**STOCK**

HKEx: 3301

BOND

US\$344,589,000 8.25% Senior Notes due 2021

Common Code: 174766592

ISIN: XS1747665922

US\$199,000,000 11.5% Senior Notes due 2020

Common Code: 192599709

ISIN: XS1925997097

US\$560,000,000 11.25% Senior Notes due 2021

Common Code: 195081972

ISIN: XS1950819729

US\$488,000,000 10.5% Senior Notes due 2022

Common Code: 195748144

ISIN: XS1957481440

US\$700,000,000 8.75% Senior Notes due 2022

Common Code: 197676078

ISIN: XS1976760782

US\$415,000,000 8.95% Senior Notes due 2023

Common Code: 203146973

ISIN: XS2031469732

US\$316,000,000 8.10% Senior Notes due 2023

Common Code: 209094916

ISIN: XS2090949160

US\$410,000,000 7.35% Senior Notes due 2023

Common Code: 218930387

ISIN: XS2189303873

US\$200,000,000 6.75% Senior Notes due 2024

Common Code: 221151488

ISIN: XS2211514885

Financial Highlights

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (“**Ronshine China**” or the “**Group**”) for the six months ended 30 June 2020 (the “**Period**”).

	For the six months ended 30 June		Change in percentage
	2020	2019	
Revenue (RMB'000)	21,066,011	26,616,331	-20.85%
Cost of sales (RMB'000)	(17,925,601)	(20,254,931)	-11.50%
Gross profit (RMB'000)	3,140,410	6,361,400	-50.63%
Other income and other gains (RMB'000)	429,280	74,998	472.39%
Profit before income tax (RMB'000)	2,480,674	5,964,372	-58.41%
Profit for the period (RMB'000)	1,645,496	3,509,880	-53.12%
– attributable to owners of the Company (RMB'000)	908,431	1,978,627	-54.09%
– attributable to non-controlling interests (RMB'000)	737,065	1,459,612	-49.50%
– attributable to holders of Perpetual Capital Instruments (RMB'000)	—	71,641	-100.00%

	As at	As at	Change in percentage
	30 June 2020	31 December 2019	
Total assets (RMB'000)	220,740,541	214,208,038	3.05%
Total liabilities (RMB'000)	179,448,629	172,919,808	3.78%
Total equity (RMB'000)	41,291,912	41,288,230	0.01%
Capital and reserve attributable to owners of the Company (RMB'000)	16,279,451	16,405,865	-0.77%

Business Review and Outlook

SUMMARY OF PRINCIPAL PROPERTIES

The table below sets forth the details of the property development projects of the Group as at 30 June 2020.

PROJECTS DEVELOPED BY THE GROUP

As at 30 June 2020, the subsidiaries, joint ventures and associated companies of the Group engaged in a total of 219 property development projects.

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
1	Shanghai Platinum (上海铂爵)	Shanghai	21,195.60	51.00%	Residential	103,055.00	3,998.02	1/12/2018
2	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	Zhengzhou	12,280.48	87.00%	Residential	28,491.05	6,124.64	26/1/2025
3	Fuyang Lvdi Zifeng House (阜陽綠地紫峰公館)	Fuyang	77,605.00	15.31%	Residential	219,352.17	15,941.50	12/1/2020
4	Hangzhou Qinlan (杭州沁蘭)	Hangzhou	18,703.00	36.66%	Residential	62,696.00	17,486.87	26/11/2021
5	Chengdu Ronshine Residence (成都融信公館)	Chengdu	11,109.78	93.76%	Residential	63,202.01	18,175.81	30/6/2020
6	Hangzhou Wanke Zhong Cheng Hui (杭州萬科中城匯)	Hangzhou	39,950.00	21.75%	Residential	164,116.00	19,259.24	31/12/2020
7	Hangzhou Lvcheng Wang Yin Yun Lu (杭州綠城望隱雲廬)	Hangzhou	40,685.00	16.00%	Residential	83,868.69	20,191.96	15/12/2020
8	Tangning Mansion-Hefei (唐寧府-合肥)	Hefei	25,959.43	19.57%	Residential	75,857.71	22,612.73	31/12/2020
9	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	Ningbo	113,857.00	18.27%	Residential	253,440.03	23,216.46	1/3/2020
10	Hangzhou Century (杭州世紀)	Hangzhou	47,326.00	45.28%	Residential	177,964.51	23,343.05	1/7/2020
11	Hangzhou De Xin Yin Jiang Nan (杭州德信印江南)	Hangzhou	63,742.00	22.27%	Residential	208,331.36	24,485.32	30/6/2020
12	Fuzhou Lan Sky (福州瀾天)	Fuzhou	25,668.00	91.55%	Residential	85,600.00	25,173.35	30/4/2021
13	Wenzhou Yueqing Boyuewan (溫州樂清柏悅灣)	Wenzhou	31,677.00	24.75%	Residential	85,304.00	25,262.69	1/3/2022
14	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	Shaoxing	19,403.00	91.70%	Residential	51,581.00	25,381.52	1/11/2021
15	Anji Yuejiang (安吉悅江府)	Huzhou	53,254.00	21.66%	Residential	113,938.00	26,075.26	11/6/2020
16	Shui Nian River (水碾河)	Chengdu	9,632.71	47.00%	Residential	26,166.27	26,166.27	26/8/2021
17	Tianyang River Mansion (天陽雲棲江境)	Jinhua	40,891.00	46.06%	Residential	78,760.95	27,291.20	1/9/2022
18	Fuzhou Park Left Bank Project (福州公園左岸)	Fuzhou	65,666.00	4.35%	Residential	183,995.02	28,190.47	31/12/2022
19	Xiamen Boyue Bay (廈門柏悅灣)	Xiamen	39,715.25	100.00%	Residential	185,558.66	28,606.74	8/6/2020
20	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	Zhengzhou	11,666.39	87.89%	Residential	31,262.35	30,433.32	24/12/2028
21	Xiamen Century (廈門世紀)	Xiamen	11,386.12	87.00%	Residential	43,262.32	31,845.28	22/4/2020
22	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	Hangzhou	53,417.00	63.54%	Residential	219,298.35	32,762.24	31/5/2022
23	Hailiang Time ONE (海亮時代 ONE)	Zhengzhou	50,053.14	55.00%	Commercial	304,542.42	33,904.94	30/11/2020
24	Xingfu Li • North County (幸福里•北郡)	Fuyang	47,886.00	43.07%	Residential	141,699.00	34,545.87	31/12/2020

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
25	Hailiang • Tangning Mansion (海亮•唐寧府)	Xi'an	70,065.04	26.40%	Residential	267,799.96	35,473.51	30/9/2020
26	Putian Ronshine (莆田融信府)	Putian	37,289.36	87.69%	Residential	125,867.40	37,203.81	17/12/2020
27	Tianyang Oriental Residence (天陽東方邸)	Hangzhou	23,772.00	43.50%	Residential	99,390.59	39,484.13	30/6/2020
28	Tan Zi Kou (灘子口)	Chongqing	13,938.00	23.97%	Residential	39,876.93	39,876.93	17/2/2021
29	Chengdu Lan Sky (成都瀾天)	Chengdu	22,731.50	87.00%	Residential	80,984.61	40,150.10	27/3/2020
30	Shanghai Century Summit (上海世紀江灣)	Shanghai	39,805.80	50.00%	Residential	102,476.00	41,020.27	27/6/2020
31	Fenghua Nanshan (奉化南山府)	Ningbo	45,993.00	22.19%	Residential	140,666.35	43,766.65	29/4/2020
32	Chengdu Jinniu 16 mu (成都金牛16畝)	Chengdu	10,724.70	38.27%	Residential	44,168.00	44,168.00	15/3/2022
33	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	Shanghai	16,112.30	15.20%	Commercial	81,398.21	44,479.16	1/4/2020
34	Changzhou Lanyue (常州瀾悅)	Changzhou	19,278.00	93.99%	Residential	55,814.39	45,535.36	1/11/2022
35	Haining Lanting (海寧瀾庭)	Jiaxing	52,780.00	87.00%	Residential	110,992.64	46,658.58	6/3/2020
36	Zhengzhou Olympic Century-1 (鄭州奧體世紀-1)	Zhengzhou	63,661.00	50.37%	Residential	304,583.06	47,277.46	27/8/2021
37	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	Chongqing	19,497.00	89.97%	Residential	57,801.20	52,043.35	30/9/2021
38	Guangzhou Tianyue (廣州天樾府)	Guangzhou	28,001.00	45.53%	Residential	117,382.53	52,538.31	23/5/2020
39	Hai Liang • Yuchen (海亮•御宸)	Xi'an	27,695.33	29.57%	Residential	104,922.00	54,764.71	1/6/2021
40	Changtai Luxi County (長泰鷺西郡)	Zhangzhou	24,000.00	80.80%	Residential	81,453.33	55,979.71	1/8/2022
41	Suzhou Haiyue Pingjiang (蘇州海月平江)	Suzhou	26,930.70	48.08%	Residential	90,429.21	57,163.88	21/9/2021
42	Jiaxing Country Garden Chongde (嘉興碧桂園崇德府)	Jiaxing	62,774.55	18.27%	Residential	195,843.58	57,755.00	30/3/2020
43	Dongtai Project (東台項目)	Dongtai	55,320.00	11.00%	Residential	135,275.00	59,289.89	22/3/2020
44	Quzhou Tianyang Lan'an Ming Mansion (衢州天陽瀾岸銘邸)	Quzhou	31,707.00	22.64%	Residential	79,865.03	60,109.40	25/5/2022
45	Fuyang Shangjun (阜陽上郡)	Fuyang	102,493.85	12.60%	Residential	267,212.42	60,164.12	1/5/2021
46	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	Hangzhou	48,543.00	87.00%	Residential	131,391.96	61,038.00	31/12/2019
47	Chengdu Ruilian (成都瑞聯)	Chengdu	19,580.00	31.02%	Residential	62,049.29	62,049.29	29/12/2020
48	Tongling Lanshan Fu (銅陵瀾山府)	Tongling	60,475.00	38.76%	Residential	161,075.00	62,418.04	30/6/2020
49	Zhoushan Chuang Shi Ji (舟山創世紀)	Zhoushan	71,491.40	30.75%	Residential	202,096.70	63,578.21	30/6/2021
50	Mengcheng Age Xingfu Li (蒙城時代幸福里)	Mengcheng	71,359.39	22.97%	Residential	180,133.00	64,331.47	29/3/2020
51	Haining Lanting Qihang (海寧瀾庭啟杭)	Haining	44,887.00	87.00%	Residential	149,641.31	64,345.30	20/1/2022
52	Tianjin Lanyue 3 (天津瀾悅3號)	Tianjin	34,369.00	46.95%	Residential	75,159.11	64,511.03	1/11/2022
53	Chang'an XiYue (長安熙悅)	Xi'an	63,448.10	6.12%	Residential	310,371.00	67,105.24	2021/2/30
54	Wenzhou Ou Hai Xi Yue Li (溫州歐海熙悅里)	Wenzhou	24,251.70	31.96%	Residential	99,656.80	69,026.61	22/1/2022
55	Tianjin Lanyue 4 (天津瀾悅4號)	Tianjin	27,184.00	47.00%	Residential	71,610.68	71,610.68	1/3/2022
56	Baolong Lin'an Project (寶龍臨安項目)	Hangzhou	37,328.00	46.06%	Residential	135,479.00	72,398.26	1/3/2022
57	Zhangzhou No. 1 (漳州壹號府)	Zhangzhou	52,438.88	93.03%	Residential	193,882.55	73,063.39	2/3/2020
58	Hangzhou Lvcheng Xi Xi Yun Lu (杭州綠城西溪雲廬)	Hangzhou	42,357.00	6.09%	Residential	96,140.02	77,094.35	25/6/2021
59	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	Nanjing	54,173.00	8.70%	Residential	268,209.36	78,074.00	25/6/2021
60	Jurong Tianyuefu (句容天悅府)	Zhenjiang	53,873.00	15.66%	Residential	145,462.31	80,654.60	8/3/2020

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
61	Bengbu Golden Age (蚌埠黃金時代)	Bengbu	97,021.93	21.10%	Residential	292,842.19	84,123.16	1/6/2021
62	Fuzhou CBD49 Lot (福州CBD49地塊)	Fuzhou	38,232.00	34.17%	Residential	115,094.00	84,295.22	20/11/2021
63	Chongqing Haiyue Pinghu (重慶海月平湖)	Chongqing	37,791.00	70.50%	Residential	95,045.18	87,423.36	30/5/2021
64	Wenzhou Jinlin House (溫州金麟府)	Wenzhou	44,518.00	26.25%	Residential	116,872.40	89,633.58	19/8/2021
65	Lanzhou Xi'an Hua Fu (蘭州熙岸華府)	Lanzhou	65,784.80	55.00%	Residential	264,701.52	89,998.52	30/10/2018
66	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	Quzhou	43,329.00	41.27%	Residential	103,709.58	90,532.66	11/1/2022
67	Jiangmen Guoyue House (江門國樾府)	Jiangmen	30,230.62	15.51%	Residential	103,032.50	92,729.25	1/7/2022
68	Kunshan Yulan Residence (昆山玉蘭公館)	Suzhou	76,671.70	50.00%	Residential	280,319.55	94,746.66	30/1/2020
69	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	Hangzhou	51,006.00	24.00%	Residential	127,515.00	95,508.84	9/12/2022
70	Nanjing 2019G94 (南京2019G94)	Nanjing	53,456.21	99.00%	Residential	96,161.85	96,161.85	7/7/2022
71	Fuzhou Country Garden Yuellingong (福州碧桂園悅玲瓏)	Fuzhou	77,113.00	2.50%	Residential	158,846.00	100,024.99	1/12/2021
72	Hangzhou Canal New City Project (杭州運河新城項目)	Hangzhou	30,626.00	60.00%	Residential	101,845.00	100,501.00	1/6/2023
73	Xingfu Li • East County (幸福里•東郡)	Fuyang	86,710.00	43.07%	Residential	293,513.86	101,084.12	30/6/2020
74	Hangzhou Xingchuang Railway North Project (杭州星創鐵路北項目)	Hangzhou	29,685.00	25.50%	Residential	103,706.00	101,750.34	9/3/2022
75	Hangzhou Tianlang House (杭州天琅府)	Hangzhou	25,811.00	46.06%	Residential	103,264.00	103,264.00	4/9/2022
76	Tianjin Jinnan (天津津南府)	Tianjin	68,970.00	93.24%	Residential	130,100.00	104,133.81	9/7/2020
77	Shanghai Zhongxing Road (上海中興路)	Shanghai	31,034.10	50.00%	Residential	149,836.40	104,608.92	31/12/2021
78	Huzhou Rongjing Garden (湖州融景園)	Huzhou	48,508.00	18.80%	Residential	142,437.20	106,000.34	12/10/2021
79	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	Shaoxing	56,841.00	64.91%	Residential	132,104.65	108,206.61	3/4/2022
80	Taizhou Jiaojiang Project (台州椒江項目)	Taizhou	42,346.00	25.00%	Residential	117,762.00	117,762.00	1/9/2022
81	Hangzhou Sandun North Project (杭州三墩北項目)	Hangzhou	27,208.00	49.00%	Residential	121,751.40	118,778.90	1/6/2023
82	Fuyang Linquan Project (阜陽臨泉項目)	Fuyang	92,155.95	20.63%	Residential	235,107.00	119,766.71	1/5/2022
83	Fuzhou Wanke Zhen Ju Yuan (福州萬科臻麓園)	Fuzhou	113,570.00	11.84%	Residential	216,400.00	124,314.86	30/5/2021
84	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	Wenzhou	43,630.00	28.00%	Residential	156,072.00	131,211.00	3/4/2022
85	Nantong Lan Chen (南通瀾宸)	Nantong	86,194.00	95.74%	Residential	160,034.00	131,316.76	30/4/2022
86	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	Quzhou	50,320.00	22.30%	Residential	132,255.00	132,255.00	1/5/2023
87	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	Hangzhou	104,698.00	25.50%	Residential	290,176.00	134,330.49	31/5/2021
88	Mei Hao Bao Long Lan Sky (美好寶龍瀟天)	Hangzhou	57,103.00	31.02%	Residential	196,204.08	137,781.09	1/5/2022
89	Nanjing 2019G87 (南京2019G87)	Nanjing	49,829.00	33.00%	Residential	195,888.60	137,803.56	7/7/2022
90	Tianjin West Coast (天津西海岸)	Tianjin	106,043.80	93.21%	Residential	181,915.76	139,492.90	9/7/2020

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
91	Fuzhou Difeng River Project (福州帝封江項目)	Fuzhou	50,718.00	26.40%	Residential	143,216.17	143,216.17	1/11/2022
92	Pingtian Lanchen (平潭瀾宸)	Fuzhou	66,431.00	93.99%	Residential	191,194.23	148,998.38	1/10/2022
93	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	Huzhou	70,277.00	47.00%	Residential	187,968.94	149,403.03	12/10/2021
94	Qingdao Manshan Lanting (青島嶺山蘭亭)	Qingdao	94,800.00	22.00%	Residential	205,868.18	154,611.47	30/9/2021
95	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	Jiujiang	67,374.00	35.60%	Residential	182,044.00	155,657.32	1/3/2022
96	Neijiang Wanwei Project (內江萬為項目)	Neijiang	65,314.00	22.76%	Residential	156,376.00	156,376.00	1/12/2022
97	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	Nanjing	82,627.65	44.90%	Residential	201,690.70	160,346.49	31/3/2020
98	Fuzhou Nice Villa (福州有墅)	Fuzhou	161,008.40	25.50%	Residential	258,248.00	161,567.07	30/6/2020
99	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城-蘇派-2)	Zhengzhou	110,754.43	87.89%	Residential	329,775.42	177,965.41	31/10/2023
100	Wenzhou Rongwang (溫州榮望)	Wenzhou	57,018.20	23.84%	Residential	203,717.00	181,533.01	9/12/2023
101	Jiangmen Mansion (江門學院府)	Jiangmen	46,153.55	47.00%	Residential	187,752.90	183,997.84	2/4/2022
102	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	Nantong	62,887.00	50.00%	Residential	184,618.20	184,618.20	1/3/2023
103	Hangzhou Jin Di Yue Hong Wan (杭州金地悅虹灣)	Hangzhou	106,872.00	23.70%	Residential	421,517.30	185,440.54	30/12/2020
104	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	Suzhou	58,150.00	77.52%	Residential	185,930.00	185,930.00	21/6/2022
105	Hangzhou Zhanwang (杭州展望)	Hangzhou	53,163.00	45.28%	Residential	191,262.86	191,262.86	10/12/2022
106	Kunshan Bacheng Lot (昆山巴城地塊)	Suzhou	83,780.50	15.66%	Residential	192,695.15	192,695.15	17/6/2022
107	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	Suzhou	118,623.10	26.32%	Residential	207,599.84	200,016.15	3/11/2022
108	Tongxiang Project (桐鄉項目)	Jiaxing	69,120.00	25.50%	Residential	201,160.26	201,160.26	1/11/2022
109	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	Zhengzhou	64,876.00	87.00%	Office	252,987.87	213,921.81	2021/11/31
110	Chongqing Lan Bay (重慶瀾灣)	Chongqing	117,541.00	71.66%	Residential	332,507.30	222,919.83	31/5/2020
111	Lianyungang Mansion (連雲港學院府)	Lianyungang	72,107.00	65.00%	Residential	229,177.50	229,177.50	1/12/2022
112	Nanjing Boan Center (南京鉅岸中心)	Nanjing	42,707.52	100.00%	Residential	351,699.72	266,189.10	1/11/2020
113	Wenzhou Hai Yue Qing Feng (溫州海月清風)	Wenzhou	134,979.00	28.76%	Residential	351,082.00	266,890.56	3/11/2022
114	Fuyang Yingquan Project (阜陽潁泉項目)	Fuyang	96,434.00	20.00%	Residential	285,448.76	285,448.76	1/4/2023
115	Changle Lanshan (長樂瀾山)	Fuzhou	125,737.00	29.06%	Residential	317,109.00	286,372.40	1/3/2022
116	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	Qingdao	76,170.00	15.00%	Residential	298,697.00	298,697.00	1/4/2023
117	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	Zhengzhou	97,429.72	100.00%	Residential	306,505.59	306,505.59	19/4/2026
118	Shengzhou Creating Century (嵯州創世紀), Shengzhou Mansion (嵯州學院府)	Shaoxing	248,819.00	91.70%	Residential	817,520.32	311,701.60	10/5/2020
119	Chongqing Kaizhou Project (重慶開州項目)	Chongqing	61,133.64	44.01%	Residential	358,289.21	318,403.43	1/9/2021
120	Fuyang Yingzhou Project (阜陽潁州項目)	Fuyang	147,590.00	55.00%	Residential	329,589.60	329,589.60	1/6/2023

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
121	Nanjing Wanke Du Hui Tian Di (南京萬科都荟天地)	Nanjing	108,521.76	6.21%	Residential	643,841.00	340,762.93	20/1/2020
122	Qingdao The Ocean Costal (青島海月星灣)	Qingdao	100,705.00	40.29%	Residential	422,216.85	355,867.54	31/12/2021
123	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	Fuzhou	123,228.00	100.00%	Residential	383,010.00	381,922.00	1/11/2022
124	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	Zhengzhou	102,755.00	50.37%	Residential	508,336.25	388,421.10	11/10/2022
125	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	Hangzhou	105,869.00	34.00%	Residential	401,643.12	393,736.94	1/4/2024
126	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城-中喬-1)	Zhengzhou	302,571.59	87.00%	Residential	441,400.14	411,279.37	1/10/2021
127	Taiyuan Shi Guang Zhi Cheng-2 (太原時光之城-2)	Taiyuan	120,299.06	76.59%	Residential	478,356.06	478,356.06	1/10/2022
128	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城-蘇派-1)	Zhengzhou	236,878.59	87.89%	Residential	607,514.59	503,806.04	18/8/2020
129	Zhengzhou Shi Guang Zhi Cheng (鄭州時光之城)	Zhengzhou	199,774.58	47.40%	Residential	574,869.73	514,790.08	28/12/2021
130	Taiyuan Shi Guang Zhi Cheng (太原時光之城)	Taiyuan	117,073.23	76.59%	Residential	553,989.00	516,341.05	28/8/2022
131	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城-德藍-1)	Zhengzhou	196,121.00	100.00%	Residential	576,552.70	576,552.70	24/8/2025
132	Fuzhou Haiyue Jiangchao (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	Fuzhou	259,519.00	100.00%	Residential	1,311,286.93	764,454.79	31/12/2020
133	Fuzhou Hot Spring City (福州融信溫泉城)	Fuzhou	1,018,836.00	50.00%	Residential	1,662,219.56	1,210,789.88	1/12/2020
134-219			8,537,160.77		Residential	21,355,550.38	-	
Total			18,439,402.89			50,756,451.47	19,163,909.02	
Attributable total			9,941,837.10			27,470,717.40	10,379,841.49	

Business Review and Outlook

OVERVIEW AND OUTLOOK

Market and business review

During the first half of 2020, the PRC's real estate market continued to maintain a steady recovery after experiencing a decline from January to February 2020. Especially during the sales window-period in the second quarter of the year, the recovery of industry sales was better than market expectations. With the resumption of work and production as well as the recovery of business and market going ahead, there will be continuous housing demands. The PRC continued to adhere to the positioning of "housing is for living in, not for speculation", mechanism of "one city, one policy" and city-specific policies to maintain the balance of supply and demand and promote the overall smooth operation of the real estate market. According to the data from the National Bureau of Statistics, from January to June 2020, the sales area of commercial housing was 694.04 million sq.m., which is a 8.4% decrease as compared with the same period in 2019. The sales of commercial housing was RMB6,689.5 billion, which is a 5.4% decrease as compared with the same period in 2019.

In the process of urbanization in the PRC, the Group continued to uphold the vision of "becoming a quality property developer leader and a service provider for an ideal life", and the strategic policy of "focus, balance and alliance with giants" to respond quickly to industry changes under the novel coronavirus disease ("COVID-19") pandemic. With the launch of online sales, accurate grasp of the market cycle and persistence in product quality, the Group has achieved rapid sales recovery and year-on-year growth in the first half of the year and maintained a stable debt level and declining financing costs, which provided a solid foundation for the Group's high-quality development in the challenging market environment.

As the impact of the COVID-19 pandemic gradually subsided, sales in the Yangtze River Delta region has recovered significantly, with transaction volumes and housing prices ranking first among all regions in the country. The Group has laid a solid foundation in the Yangtze River Delta and the western Taiwan Straits and its regional competitive strengths has brought substantial sales in the first half of 2020. During the Period, the Group recorded a contract sales of RMB60.4 billion, a contracted gross floor area ("**GFA**") of approximately 2.57 million sq.m. and an average contracted sales price of RMB23,457 per sq.m.

In respect of land reserves, the Group began its national layout in 2016 and continued to expand its land scale by accelerating land acquisition. With a forward-looking vision of entering the Yangtze River Delta region and excellent regional deep-farming capabilities, the Group successfully entered the list of real estate enterprises with sales of more than RMB100 billion in 2018. After becoming a real estate enterprise with sales of more than RMB100 billion, the Group adhered to the development tone of seeking progress while maintaining stability. The Group followed the principle of prudent land acquisition, paid more attention to the quality and profitability of projects and acquired a number of high-quality land parcels at a low premium during the Period by accurately following the market cycle, which has become an important cornerstone for the Group to achieve sales growth and release profits. In the first half of the year, the Group obtained 21 new land projects, adding GFA of approximately 4.61 million sq.m. As of 30 June 2020, it has deployed a total of 219 projects in 47 cities, with land reserve of approximately 28.03 million sq.m. As the Group's key layout area, the Yangtze River Delta region accounted for 75% in the newly added land reserves this year, with a total of 15 projects covering approximately 2.79 million sq.m., reflecting the Company's firm confidence in the future development of the region. At the same time, the Company continued to accelerate the transformation of renovation projects, and obtained confirmed rights for land with approximately 0.48 million sq.m. in the first half of the year, which will continuously provide the Company with high-quality land reserves.

Business Review and Outlook

Ronshine China continues to expand the layout in nine core urban agglomerations, including the western Taiwan Straits, Yangtze River Delta, middle reaches of the Yangtze River, Greater Bay Area, Beijing-Tianjin-Hebei Region, Central China, Chengdu, Chongqing Region, Northwest China and Shandong Peninsula. Adhering to the strategy of rooting in the core first- and second-tier cities, the Company proactively expanded from cities with existing business presence to surrounding satellite cities with obvious spillover demand, net inflows of population and emerging industries. In the first half of the year, the Group's projects in core cities in the Yangtze River Delta, such as Hangzhou, Suzhou and Nanjing, contributed significantly to the performance. A number of projects were sold out when they were launched, including Hangzhou Qinlan (杭州沁瀾), which had a winning rate for buyers of only 1.8%, representing a record low for the district. The Group entered Wenzhou for the first time in 2019 and Hai Yue Qing Feng (海月清風) in Wenzhou has been well received by the market in the first half of this year and have achieved outstanding sales. The project quickly formed an excellent reputation following its launch, and became the sales champion project in Leqing City in terms of number of sets, floor area and sales amount in the first half of the year due to its excellent project design as the only Chinese-styled courtyard project in the city. In addition, the sales through rate of the Group's renovation projects in Zhengzhou, namely, "Olympic Century (奧體世紀)" and "City of Time (時光之城)", were far ahead of its surrounding commercial properties by virtue of the excellent educational resources in the area and the high quality development.

This year, the Group has precisely grasped the capital market window to optimize its debt structure, actively reduced its financing costs and maintained a healthy level of leverage. In March and April 2020, the Group issued asset-backed securities ("ABS") of RMB1.290 billion and RMB1.106 billion, respectively, which bear interest of 5.9% per annum and are secured by the Group's receivables of properties sales proceeds. In respect of the offshore market, in June 2020, the issuance of senior notes of the Company due in 2023 with an aggregate principal amount of US\$250 million bearing interest at a rate of 7.35% per annum and the additional issuance of US\$160 million of senior notes in the same month by the Group which were consolidated and formed a single series, have all been enthusiastically subscribed by investors, hitting the Company's lowest interest rate record on long-term debt. The decline in interest rates for onshore and offshore market bond issuances reflects the high recognition of the Group by domestic and overseas capital markets. The Group will continue to actively optimize its debt structure and take initiatives to grasp market windows, which will provide a solid foundation for the Group to achieve its strategic goal of high-quality development.

Against the backdrop of the COVID-19 pandemic, Ronshine China continued to improve its financial condition and its financial leverage ratio remained at a healthy level. During the Period, the Group continued to maintain the raised rating level by three major international credit rating agencies last year. Among them, Standard & Poor's recommended a "B+" on the Group's long-term issuer's credit rating with an outlook of "stable"; Moody's recommended a "B1" on the Group's main rating with an outlook of "stable"; and Fitch Ratings recommended a "BB-" on the Group's credit rating with an outlook of "stable", attesting to the fact that the Group's development has been unanimously recognized by the capital market.

In addition, the Group has won the favor of many investment institutions with its good sales performance and stable financial leverage. After the announcement of the Group's 2019 annual results, 15 institutions, including Citibank, JP Morgan, Jefferies, Haitong International, CCB International, ICBC International, CWSI, Essence International, Zhongtai International, and Southwest Securities, followed up on the Group's performance and recommended a "Buy/overweight" rating on the Group.

Business Review and Outlook

The significant improvement of Ronshine China's comprehensive strength has won the attention of and the recognition from the industry and the market. In March 2020, the Group won three awards, being the "2019 Best Debt End Management for China-funded USD Bond (中資美元債2019年最佳負債端管理)", the "2019 Outstanding Real Estate Issuers in the China-funded USD Bond Market (中資美元債市2019年卓越地產發行人)" and the "2020 Top 21 of China Real Estate Developers and Top 10 in Comprehensive Development (2020中國房地產開發企業21強及綜合發展10強)"; in May 2020, the Group was included in the Hang Seng Large and Medium-sized Stocks Value Biased Index (恒生大中型股價值偏向指數) newly launched by Hang Seng Indexes Company Limited; and in June 2020, the Group continued to be listed among the "2020 Top 10 China Real Estate Developers in Shanghai (2020中國房地產開發企業榜單上海市十強)", ranking seventh, improving by three places as compared to 2019 and also ranked TOP 20 with a significant advantage in the "2019 Top 30 Real Estate Enterprises in Land Reserve Value in the Yangtze River Delta Region (2019年長三角地區房企土儲貨值排行榜TOP30)" published by CRIC (克而瑞研究中心).

Prospects

In the first half of 2020, the PRC's real estate investments turned positive and recorded growth and the overall market has gradually and steadily recovered. Looking ahead, the Group believes that the real estate market will continue to recover steadily and gradually grow in the second half of the year. The Group will continue to deeply cultivate its existing nine core urban agglomerations, uphold the principle of prudent land acquisition, grasp investment opportunities and accelerate the improvement of its overall performance.

In the process of urbanization in the PRC, the Group will continue to adhere to its vision of "becoming a quality property developer leader and a service provider for an ideal life". The Group will actively improve its comprehensive strengths and continuously enhance its competitiveness by virtue of its forward-looking vision and excellent regional deep-farming capabilities to create greater value for the shareholders of the Company (the "**Shareholders**").



Management Discussion and Analysis

SUMMARY OF OPERATING RESULTS

	For the six months ended 30 June		Change in percentage
	2020	2019	
Contracted sales			
Contracted sales amount (RMB'000) ⁽¹⁾	60,357,835	56,677,994	6.49%
Contracted gross floor area (sq.m.)	2,573,153	2,819,800	-8.75%
Average unit price of contracted sales (RMB/sq.m.)	23,457	20,100	16.70%
Property delivered			
Revenue from delivery of properties (RMB'000)	20,571,784	26,212,469	-21.52%
Delivered gross floor area (sq.m.)	1,271,770	1,942,119	-34.52%
Recognised average selling price of properties delivered (RMB/sq.m.)	16,176	13,497	19.85%
Revenue (RMB'000)	21,066,011	26,616,331	-20.85%
Cost of Sales (RMB'000)	(17,925,601)	(20,254,931)	-11.50%
Gross profit (RMB'000)	3,140,410	6,361,400	-50.63%
Other income and other gains (RMB'000)	429,280	74,998	472.39%
Profit before income tax (RMB'000)	2,480,674	5,964,372	-58.41%
Profit for the period (RMB'000)	1,645,496	3,509,880	-53.12%
– attributable to owners of the Company (RMB'000)	908,431	1,978,627	-54.09%
– attributable to non-controlling interests (RMB'000)	737,065	1,459,612	-49.50%
– attributable to holders of Perpetual Capital Instruments (RMB'000)	–	71,641	-100.00%
Core net profit contributable to owners of the Company (RMB'000) ⁽²⁾	1,110,719	1,956,300	-43.22%
Gross profit margin ⁽³⁾	14.9%	23.9%	-37.66%
Net profit margin ⁽⁴⁾	7.8%	13.2%	-40.91%

	As at	As at	Change in percentage
	30 June 2020	31 December 2019	
Total assets (RMB'000)	220,740,541	214,208,038	3.05%
Total liabilities (RMB'000)	179,448,629	172,919,808	3.78%
Total equity (RMB'000)	41,291,912	41,288,230	0.01%
Capital and reserve attributable to owners of the Company (RMB'000)	16,279,451	16,405,865	-0.77%
Current ratio ⁽⁵⁾	1.55 times	1.51 times	2.65%
Gearing ratio ⁽⁶⁾	0.91	0.70	30.00%

Management Discussion and Analysis

Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of core net profit contributed to owners of the Company is based on the net profit contributed to owners of the Company excludes the fair value (losses)/gains on investment properties (after income tax), net foreign exchange (losses)/gains charged to profit or loss, and value of employee services under share option scheme.
- (3) The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (4) The calculation of net profit margin is based on net profit divided by revenue and multiplied by 100%.
- (5) The calculation of current ratio is based on current assets divided by current liabilities.
- (6) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

PROPERTY DEVELOPMENT

Contracted Sales

For the six months ended 30 June 2020, the Group and its joint ventures and associates achieved contracted sales of RMB60,357.85 million, representing a growth of approximately 6.49% compared with RMB56,677.99 million for the six months ended 30 June 2019. This increase was mainly attributable to the increase in the average selling price of the Group's joint ventures and associates from RMB20,100 per sq.m. for the six months ended 30 June 2019 to RMB23,457 per sq.m. for the six months ended 30 June 2020.

The amount of the Group's contracted sales (including its joint ventures and associates) in Hangzhou, Nanjing, Fuzhou, Shanghai, Wenzhou, Zhengzhou, Suzhou, Ningbo and Huzhou accounted for (i) 36.58%, 12.81%, 9.69%, 6.56%, 6.17%, 2.73%, 2.15%, 2.05%, 2.03% of the Group's total contracted sales amount (including its joint ventures and associates) for the six months ended 30 June 2020, respectively, and (ii) 23.73%, 8.94%, 9.69%, 1.99%, 7.42%, 4.70%, 1.59%, 2.54%, 2.84% of the Group's total GFA of contracted sales (including its joint ventures and associates) for the six months ended 30 June 2020, respectively. The following table sets forth details of the contracted sales of the Group (include its joint ventures and associates) for the six months ended 30 June 2020:

	Amount (RMB million)	Percentage (%)	GFA (sq.m.)	Percentage (%)	Average Selling price (RMB/sq.m.)
Hangzhou	22,079	36.58	610,662	23.73	36,156
Nanjing	7,729	12.81	230,039	8.94	33,600
Fuzhou	5,846	9.69	249,465	9.69	23,434
Shanghai	3,962	6.56	51,249	1.99	77,309
Wenzhou	3,724	6.17	190,828	7.42	19,515
Zhengzhou	1,647	2.73	120,979	4.70	13,614
Suzhou	1,301	2.15	40,849	1.59	31,849
Ningbo	1,239	2.05	65,299	2.54	18,974
Huzhou	1,224	2.03	73,056	2.84	16,754
Others	11,607	19.23	940,727	36.56	12,338
Total	60,358	100.00	2,573,153	100.00	23,457

Management Discussion and Analysis

Projects completed

For the six months ended 30 June 2020, the Group (including its joint ventures and associates) completed a total of 21 projects or phases of projects, with total GFA of 2,220,935 sq.m. (917,083 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Projects under construction

As at 30 June 2020, the Group (including its joint ventures and associates) had a total of 105 projects or phases of projects under construction, with total planned GFA of 20,419,576 sq.m. (9,378,537 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Land reserve

During the Period, there were a total of 21 newly acquired land parcels with a total GFA of 4,605,456 sq.m. (2,094,981 sq.m., after taking into account the interests of owners of the Company in the relevant projects). The average cost of land parcels acquired was RMB8,550 per sq.m. (calculated at the plot ratio-based GFA).

The following table sets forth details of the Group's newly acquired land parcels (including its joint ventures and associates) during the six months ended 30 June 2020:

City	Project name	Date of acquisition	Site area (sq.m)	Total GFA (sq.m)	Total GFA of the owners of the Company interested (sq.m)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Taizhou	Taizhou Jiaojiang Project (台州椒江項目)	7 January 2020	42,346	117,762	29,441	855	214	10,095
Hangzhou	Hangzhou Zhanwang (杭州展望)	19 January 2020	53,163	191,263	86,604	3,338	1,512	25,116
Wenzhou	Wenzhou Rongwang (溫州榮望)	19 February 2020	57,018	203,717	48,570	1,084	259	7,203
Quzhou	Quzhou Tianyang Lan'an Ming Mansion (衢州天陽瀾岸銘邸)	8 March 2020	31,707	79,865	18,081	446	101	8,278
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	11 March 2020	43,329	103,710	42,796	397	164	5,383

Management Discussion and Analysis

City	Project name	Date of acquisition	Site area (sq.m)	Total GFA (sq.m)	Total GFA of the owners of the Company interested (sq.m)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Chongqing	Chongqing Kaizhou Project (重慶開州項目)	26 March 2020	61,134	358,289	157,701	980	431	3,901
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	9 April 2020	105,869	401,643	136,559	4,970	1,690	17,388
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	21 April 2020	147,590	329,590	181,274	777	427	2,961
Hangzhou	Hangzhou Xingchuang Railway North Project (杭州星創鐵路北項目)	28 April 2020	29,685	103,706	26,445	1,674	427	22,553
Nantong	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	13 May 2020	62,887	184,618	92,309	1,874	937	14,197
Lianyungang	Lianyungang Mansion (連雲港學院府)	19 May 2020	72,107	229,178	148,965	672	437	3,999
Taiyuan	Taiyuan Shi Guang Zhi Cheng-2 (太原時光之城-2)	21 May 2020	120,299	478,356	366,373	479	366	1,222
Quzhou	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	4 June 2020	50,320	132,255	29,493	782	174	8,634
Jiaxing	Tongxiang Project (桐鄉項目)	8 June 2020	69,120	201,160	51,296	852	217	6,163
Fuyang	Fuyang Yingquan Project (阜陽潁泉項目)	9 June 2020	96,434	285,449	57,090	855	171	3,854
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	22 June 2020	27,208	121,751	59,658	1,357	665	16,088
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	22 June 2020	30,626	101,845	61,107	1,804	1,082	23,558

Management Discussion and Analysis

City	Project name	Date of acquisition	Site area (sq.m)	Total GFA (sq.m)	Total GFA of the owners of the Company interested (sq.m)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	23 June 2020	50,718	143,216	37,809	885	234	7,932
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	24 June 2020	123,228	383,010	383,010	4,132	4,132	13,521
Neijiang	Neijiang Wanwei Project (內江萬為項目)	27 June 2020	65,314	156,376	35,595	228	52	1,942
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	30 June 2020	76,170	298,697	44,805	732	110	3,578
Total			1,416,272	4,605,456	2,094,981	29,173	13,801	8,550

As at 30 June 2020, the total GFA of the Group's land reserve (include its joint ventures and associates) was 28.0 million sq.m., among which, 2.5 million sq.m. were completed properties held for sale, 20.4 million sq.m. were under construction and 5.1 million sq.m. were held for future development.

As at 30 June 2020, the cost per sq.m. of the Group's land reserve (include its joint ventures and associates) was RMB7,767, of which 80% were located in the prime areas in the first-tier and second-tier cities in the PRC. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its future development.

Management Discussion and Analysis

The following table sets forth details of the land reserve attributable to the owners of the Company as at 30 June 2020:

Region	Project name	Total land value of reserve (RMB'0,000)	Total GFA of reserve (sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Nanjing	Nanjing Century East (南京世紀東方)	175,129.04	100,366.01	24,957.12
Fuzhou	Fuzhou Haiyue Jiangchao (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	415,880.00	963,513.18	6,064.53
Fuzhou	Fuzhou Hot Spring City (福州融信溫泉城)	74,205.00	697,052.99	1,609.66
Fuzhou	Fuzhou You Shu (福州有墅)	1,643.04	49,269.58	485.71
Xiamen	Xiamen Boyue Bay (廈門鉞悅灣)	263,400.00	185,358.66	23,207.05
Shanghai	Lot 35-01, Unit MHPO-1402, Huacao Town, Minhang District (Kairi) (閔行區華漕鎮MHPO-1402單元35-01地塊(愷日))	4,145.10	7,038.37	6,017.86
Shanghai	Lot 36-01, Unit MHPO-1402, Huacao Town, Minhang District (Kaichong) (閔行區華漕鎮 MHPO-1402單元36-01地塊(愷崇))	1,048.13	1,619.12	6,098.18
Shanghai	Shanghai Platinum (上海鉞爵)	15,493.80	16,293.00	15,408.81
Shanghai	Shanghai Zhongxing Road (上海中興路)	550,500.00	60,976.70	100,090.91
Shanghai	Shanghai Century Summit (上海世紀江灣)	108,847.50	31,653.75	52,839.87
Nanjing	Nanjing Boan Center (南京鉞岸中心)	53,700.00	350,892.69	2,514.78
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	98,675.56	98,976.16	13,575.64
Zhangzhou	Zhangzhou No. 1 (漳州壹號府)	148,848.00	175,903.50	10,897.04
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	84,027.01	87,951.51	12,842.08
Chengdu	Chengdu Ronshine Residence (成都融信公館)	70,415.64	59,164.44	16,914.86
Tianjin	Tianjin West Coast (天津西海岸)	97,744.67	147,379.70	8,237.63
Tianjin	Tianjin Jinnan (天津津南府)	99,999.90	97,715.52	12,959.16
Putian	Putian Ronshine (莆田融信府)	81,990.15	108,794.70	10,032.19
Guangzhou	Guangzhou Tianyue (廣州天樾府)	53,537.40	34,682.10	14,999.46
Xiamen	Xiamen Century (廈門世紀)	68,556.00	37,290.22	31,520.00
Chongqing	Chongqing Lan Bay (重慶瀾灣)	72,985.71	165,889.40	6,189.33
Hangzhou	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	43,083.27	61,328.01	5,100.74
Shaoxing	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	107,952.91	560,771.33	2,576.72
Hangzhou	Hangzhou Century (杭州世紀)	165,090.88	79,450.33	30,816.04
Ningbo	Fenghua Nanshan (奉化南山府)	17,902.19	30,861.63	8,772.53
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	16,277.70	218,881.45	911.79
Hangzhou	Hangzhou Lvcheng Wang Yin Yun Lu (杭州綠城望隱雲廬)	18,776.00	13,249.31	26,106.20
Hangzhou	Hangzhou Lvcheng Xi Xi Yun Lu (杭州綠城西溪雲廬)	7,740.39	5,787.82	27,278.95
Nanjing	Nanjing Wanke Du Hui Tian Di (南京萬科都薈天地)	30,499.94	39,684.08	12,129.86
Nanjing	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	14,790.00	23,229.81	9,464.35
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	385,288.13	135,247.65	40,541.60

Management Discussion and Analysis

Region	Project name	Total land value of reserve (RMB'0,000)	Total GFA of reserve (sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Hangzhou	Hangzhou Wanke Zhong Cheng Hui (杭州萬科中城匯)	55,810.50	33,986.60	24,703.96
Hangzhou	Hangzhou De Xin Yin Jiang Nan (杭州德信印江南)	11,907.13	10,578.62	16,579.62
Fuzhou	Fuzhou Wanke Zhen Ju Yuan (福州萬科臻麓園)	13,817.28	25,349.44	7,339.71
Hangzhou	Hangzhou Jin Di Yue Hong Wan (杭州金地悅虹灣)	151,100.14	93,711.48	22,949.96
Zhengzhou	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城—蘇派—1)	22,211.56	521,866.28	470.25
Fuzhou	Fuzhou Lan Sky (福州瀾天)	129,085.50	77,725.95	21,972.88
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	27,698.71	54,580.24	4,323.62
Hangzhou	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	85,459.17	73,344.12	16,004.79
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	1,875.14	36,188.99	713.65
Ganzhou	Ganzhou Rongxita (贛州榕臺台)	2,071.52	6,950.50	3,510.62
Fuyang	Hai Liang•Xing Cheng (海亮•星城)	1,360.65	9,294.26	1,934.00
Fuyang	Xingfu Li•East County (幸福里•東郡)	7,102.58	45,798.22	2,235.35
Fuyang	Xingfu Li•North County (幸福里•北郡)	10,375.09	59,122.54	2,190.22
Bengbu	Bengbu Hai Liang Xi Yuan (蚌埠海亮熙園)	666.71	4,495.88	1,691.38
Hefei	Tangning Mansion-Hefei (唐寧府-合肥)	18,445.59	13,955.40	18,155.55
Zhengzhou	Hailiang Time ONE (海亮時代 ONE)	28,114.34	123,948.76	3,284.25
Xi'an	Hai Liang•De Wen Jun (海亮•德文郡)	24,282.22	94,601.43	2,545.62
Xi'an	Hailiang•Tangning Mansion (海亮•唐寧府)	10,148.95	69,759.35	1,960.03
Xi'an	Chang'an Xi Yue (長安熙悅)	685.61	18,416.41	445.76
Lanzhou	Lanzhou Xi'an Hua Fu (蘭州熙岸華府)	5,660.49	49,499.18	1,293.40
Zhenjiang	Jurong Tianyuefu Project (句容天悅府)	8,161.68	22,458.91	4,837.12
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望 NEO1)	35,469.90	16,519.71	31,551.04
Jiaxing	Jiaxing Country Garden Chongde (嘉興碧桂園崇德府)	5,937.49	23,674.88	3,219.19
Jiaxing	Haining Lanting (海寧瀾庭)	28,266.30	54,696.41	7,199.70
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	18,635.40	45,581.96	5,599.13
Hangzhou	Hangzhou Xianghu Yuezhong (杭州湘湖悅章)	324,532.91	270,670.00	17,133.99
Huzhou	Anji Yuejiang (安吉悅江府)	5,165.91	24,263.33	2,985.69
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城—中喬—1)	21,280.30	379,280.49	722.41
Chengdu	Chengdu Lan Sky (成都瀾天)	20,765.26	70,286.31	4,200.01
Fuyang	Fuyang Lvdi Zifeng House (阜陽綠地紫峰公館)	4,634.42	33,587.20	1,695.69
Dongtai	Dongtai Project (東台項目)	3,024.34	14,557.81	2,761.11
Mengcheng	Mengcheng Age Xingfu Li (蒙城時代幸福里)	6,890.40	40,823.11	2,102.04
Zhengzhou	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城—蘇派—2)	10,709.40	289,839.62	550.09
Qingdao	The Ocean Costal (青島海月星灣)	35,539.81	170,111.17	3,503.70

Management Discussion and Analysis

Region	Project name	Total land value of reserve (RMB'0,000)	Total GFA of reserve (sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Fuzhou	Fuzhou Park Left Bank Project (福州公園左岸)	12,421.49	8,008.03	21,731.19
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	38,454.00	130,187.94	3,938.78
Fuyang	Fuyang Shangjun (阜陽上郡)	4,668.65	33,670.10	1,721.42
Shanghai	Shanghai Yangpu Lot (上海楊浦平涼地塊)	15,547.02	9,893.83	25,396.66
Fuzhou	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	2,222.50	3,971.15	7,686.59
Xi'an	Hai Liang • Yuchen (海亮•禦宸)	11,039.21	31,023.34	4,820.70
Hangzhou	Tianyang Oriental Residence (天陽東方邸)	40,473.71	33,196.01	17,161.86
Bengbu	Bengbu Golden Age (蚌埠黃金時代)	9,919.89	61,795.12	1,933.34
Zhengzhou	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城—德藍—1)	23,040.00	576,552.70	520.13
Zhengzhou	Zhengzhou Olympic Century-1 (鄭州奧體世紀—1)	25,528.52	153,418.49	2,263.60
Suzhou	Suzhou Haiyue Pingjiang (蘇州海月平江)	62,301.47	43,503.80	19,235.00
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	31,996.11	22,984.35	21,211.47
Wenzhou	Wenzhou Yueqing Boyuewan (溫州樂清柏悅灣)	12,882.38	21,112.74	8,215.74
Fuzhou	Changle Lanshan (長樂瀾山)	34,930.12	92,151.88	5,005.05
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	44,556.00	67,006.85	11,149.04
Jiangmen	Jiangmen Guoyue House (江門國樾府)	6,854.18	15,980.34	5,847.32
Hangzhou	Hangzhou Tianlang House (杭州天琅府)	62,377.68	47,563.40	19,432.86
Huzhou	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	36,237.00	88,345.40	6,094.93
Wenzhou	Wenzhou Jinlin House (溫州金麟府)	19,866.00	30,679.01	8,499.93
Huzhou	Huzhou Rongjing Garden (湖州融璟園)	8,460.00	26,778.19	5,456.95
Jinhua	Tianyang River Mansion (天陽雲棲江境)	25,859.87	36,277.29	10,561.64
Tianjin	Tianjin Lanyue 3 (天津瀾悅3號)	33,092.70	35,279.69	13,000.90
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	28,200.00	33,657.02	11,741.91
Changzhou	Changzhou Lanyue (常州瀾悅)	37,126.05	52,459.95	9,313.49
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	5,898.40	65,814.29	1,126.54
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	26,340.79	55,094.67	6,128.16
Fuzhou	Pingtian Lan Chen (平潭瀾宸)	76,225.89	179,703.46	5,549.16
Jiujiang	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	24,788.57	64,807.66	5,167.48
Fuyang	Fuyang Linquan Project (阜陽臨泉項目)	8,039.83	48,490.82	2,114.95
Wenzhou	Wenzhou Hai Yue Qing Feng (溫州海月清風)	52,350.48	100,985.23	7,490.88
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	25,543.11	50,471.43	5,546.25
Shaoxing	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	12,425.35	47,299.78	3,491.73
Zhengzhou	Zhengzhou Shi Guang Zhi Cheng (鄭州時光之城)	86,235.54	272,505.50	3,166.61
Jiangmen	Jiangmen Mansion (江門學院府)	31,247.95	88,243.86	4,800.01
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	28,220.68	31,850.31	13,003.51

Management Discussion and Analysis

Region	Project name	Total land value of reserve (RMB'0,000)	Total GFA of reserve (sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Suzhou	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	28,841.50	54,640.28	6,842.72
Chengdu	Shui Nian River (水碾河)	12,224.23	12,298.15	13,500.35
Chengdu	Chengdu Ruilian (成都瑞聯)	17,370.89	19,247.69	14,300.05
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	33,679.37	52,003.74	9,599.94
Chongqing	Tan Zi Kou (灘子口)	6,184.26	9,558.50	9,255.27
Nantong	Nantong Lan Chen (南通瀾宸)	85,245.35	153,216.55	8,537.19
Fuzhou	Fuzhou CBD49 Lot (福州 CBD49地塊)	42,234.12	39,327.62	14,497.28
Suzhou	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	151,722.92	144,132.94	15,299.07
Shaoxing	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	48,358.02	85,749.26	7,943.48
Wenzhou	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	25,989.60	43,700.16	8,509.74
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	7,465.48	45,291.00	2,386.36
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	17,482.16	16,901.28	14,199.62
Nanjing	Nanjing 2019G87 (南京2019G87)	76,560.00	64,643.24	16,628.30
Nanjing	Nanjing 2019G94 (南京2019G94)	120,780.00	95,200.23	19,018.68
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	16,847.42	30,183.77	5,581.61
Hangzhou	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	44,615.28	30,603.60	14,578.44
Zhengzhou	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	59,646.64	256,048.97	3,133.70
Taiyuan	Taiyuan Shi Guang Zhi Cheng-1 (太原時光之城-1)	46,183.77	424,300.18	1,355.06
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	1,570.35	24,787.21	789.63
Zhengzhou	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	1,538.25	27,479.60	751.07
Zhengzhou	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	15,375.00	306,505.59	717.12
Hangzhou	Hangzhou Zhanwang (杭州展望)	151,150.98	86,603.82	25,116.27
Quzhou	Quzhou Tianyang Lan'an Ming Mansion (衢州天陽瀾岸銘邸)	10,101.97	18,081.44	8,278.00
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	16,361.57	42,795.76	5,382.89
Chongqing	Chongqing Kaizhou Project (重慶開州項目)	43,112.69	157,701.00	3,900.82
Wenzhou	Wenzhou Rongwang (溫州榮望)	25,851.88	48,570.21	7,203.36
Fuyang	Fuyang Yingzhou Project (阜陽穎州項目)	42,738.30	181,274.28	2,961.33
Lianyungang	Lianyungang Mansion (連雲港學院府)	43,699.50	148,965.38	3,998.99
Nantong	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	93,700.00	92,309.10	14,196.97
Taiyuan	Taiyuan Shi Guang Zhi Cheng-2 (太原時光之城-2)	36,648.32	366,372.91	1,222.24
Taizhou	Taizhou Jiaojiang Project (台州椒江項目)	21,375.00	29,440.50	10,095.40
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	168,991.56	133,870.56	17,388.16

Management Discussion and Analysis

Region	Project name	Total land value of reserve (RMB'0,000)	Total GFA of reserve (sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Quzhou	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	17,438.91	29,493.39	8,633.63
Hangzhou	Hangzhou Xingchuang Railway North Project (杭州星創鐵路北項目)	42,680.63	25,946.34	22,553.48
Fuyang	Fuyang Yingquan Project (阜陽潁泉項目)	17,097.75	57,089.75	3,854.35
Jiaxing	Tongxiang Project (桐鄉項目)	21,726.00	51,295.87	6,163.19
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	66,487.61	58,201.66	16,087.57
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	108,223.20	60,300.60	23,558.02
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	23,364.00	37,809.07	7,931.56
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	413,200.00	381,922.00	13,520.70
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	10,985.70	44,804.55	3,577.87
Neijiang	Neijiang Wanwei Project (內江萬為項目)	5,196.00	35,595.09	1,941.65
Total		7,730,482.73	14,210,823.72	7,767.00

Note:

- (1) This represents the original land costs of these projects only, and did not reflect the fair value increase that had been recognised upon acquisitions or consolidations by the Group during the six months ended 30 June 2020.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2020, the Group derived its revenue from (i) sales of properties in the PRC; (ii) construction services with local PRC governments with respect to the construction of resettlement housing; and (iii) rental income and others. The following table sets forth the details of the Group's revenue recognised from such sources for the period indicated:

	For the six months ended 30 June		Change in percentage
	2020	2019	
	RMB'000	RMB'000	
Revenue			
Sales of properties	20,571,784	26,212,469	-21.52%
Construction services	263,046	237,674	10.68%
Rental income and others	231,181	166,188	39.11%
Total	21,066,011	26,616,331	-20.85%

The revenue of the Group decreased by approximately 20.85% from RMB26,616.33 million for the six months ended 30 June 2019 to RMB21,066.01 million for the six months ended 30 June 2020. This decrease was mainly attributable to:

- (i) the decrease in the total GFA of properties delivered by the Group by 34.52% from 1,942,119 sq.m. for the six months ended 30 June 2019 to 1,271,770 sq.m. for the six months ended 30 June 2020;
- (ii) the increase in revenue from construction services by 10.68% from RMB237.67 million for the six months ended 30 June 2019 to RMB263.05 million for the six months ended 30 June 2020;
- (iii) the rental income decreased by 17.58% from RMB74.76 million for the six months ended 30 June 2019 to RMB61.62 million for the six months ended 30 June 2020. The others comprise mainly of revenue in consulting services and hotel operations. During the six months ended 30 June 2020, revenue from consulting services amounted to approximately RMB43.47 million and revenue from hotel operations of the Group was approximately RMB34.23 million.

Management Discussion and Analysis

Revenue generated from the sales of properties amounted to RMB20,571.78 million for the six months ended 30 June 2020. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the six months ended 30 June 2020:

	For the six months ended 30 June					
	2020			2019		
	Revenue (RMB million)	GFA delivered by the Group (sq.m.)	Average selling price (RMB/sq.m.)	Revenue (RMB million)	GFA delivered by the Group (sq.m.)	Average selling price (RMB/sq.m.)
Hangzhou	4,569	193,729	23,584	15,715	595,495	26,390
Shanghai	2,747	41,818	65,689	415	13,531	30,670
Suzhou	1,694	72,920	23,231	–	–	–
Jiaxing	1,115	110,990	10,046	–	–	–
Shaoxing	1,097	128,314	8,549	–	–	–
Others	9,350	723,999	12,914	10,082	1,333,093	7,563
Total	20,572	1,271,770	16,176	26,212	1,942,119	13,497

Cost of sales

The Group's cost of sales decreased by 11.50% from RMB20,254.93 million for the six months ended 30 June 2019 to RMB17,925.60 million for the six months ended 30 June 2020. This decrease was mainly attributable to the decrease in the GFA of properties sold by the Group during the six months ended 30 June 2020.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by 50.63% from RMB6,361.40 million for the six months ended 30 June 2019 to RMB3,140.41 million for the six months ended 30 June 2020.

The Group's gross profit margin decreased from 23.90% for the six months ended 30 June 2019 to 14.91% for the six months ended 30 June 2020, primarily due to different portfolios of properties being delivered in the first half of 2020 compared with the first half of 2019.

Other income

The Group's other income primarily includes (i) interest income from loans to non-controlling interests and related parties; and (ii) deposits forfeited from some of the Group's prospective customers who breached the property purchase agreements. The Group's other income increased by 232.79% from RMB28.30 million for the six months ended 30 June 2019 to RMB94.18 million for the six months ended 30 June 2020.

Management Discussion and Analysis

Other gains

The Group's other gains primarily include (i) gains from bond repurchase; and (ii) gains from financial assets at fair value through profit or loss and derivative financial instruments; and (iii) gain from disposal of a subsidiary and an associate. The Group's other gains increased by 617.56% from RMB46.70 million for the six months ended 30 June 2019 to RMB335.10 million for the six months ended 30 June 2020.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) advertisement expenses; (iii) property management fees; and (iv) other costs including rental expenses, office expenses and other miscellaneous fees and expenses.

The Group's selling and marketing costs decreased by 10.39% from RMB549.62 million for the six months ended 30 June 2019 to RMB492.51 million for the six months ended 30 June 2020, primarily due to a decrease in staff cost of the Group as a result of decreased sales activities.

Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) other taxes; (iii) office and travel expenses; (iv) entertainment expenses; (v) consultation fees; (vi) office lease expenses; and (vii) others.

The Group's administrative expenses decreased by 7.22% from RMB743.92 million for the six months ended 30 June 2019 to RMB690.22 million for the six months ended 30 June 2020, primarily due to decrease in staff costs of the Group.

Fair value (losses)/gains on investment properties

The decrease in fair value gains on investment properties by 223.90% from RMB78.69 million for the six months ended 30 June 2019 to RMB97.50 million in fair value losses for the six months ended 30 June 2020 was mainly due to the negative impact of COVID-19 and the sales price being restricted by government.

Finance costs

Finance costs decreased by 11.87% from RMB312.44 million for the six months ended 30 June 2019 to RMB275.35 million for the six months ended 30 June 2020, primarily due to the decrease in non-capitalised interest expenses.

Finance income

Finance income increased by 148.62% from RMB132.23 million for the six months ended 30 June 2019 to RMB328.75 million for the six months ended 30 June 2020, due to the increase in weighted average balance of term deposits.

Share of net profit of investments accounted for using the equity method

The Group's share of net profit of investments accounted for using the equity method decreased by 85.07% from RMB923.03 million for the six months ended 30 June 2019 to RMB137.80 million for the six months ended 30 June 2020, primarily due to less delivery of properties from joint ventures during the six months ended 30 June 2020.

Management Discussion and Analysis

Profit before income tax

As a result of the aforementioned changes in the Group's financials, the Group's profit before income tax decreased by 58.41% from RMB5,964.37 million for the six months ended 30 June 2019 to RMB2,480.67 million for the six months ended 30 June 2020.

Income tax expenses

The Group's income tax expenses comprise provisions made for enterprise income tax ("EIT") (including deferred income tax) and LAT in the PRC.

The Group's income tax expenses decreased by 65.97% from RMB2,454.49 million for the six months ended 30 June 2019 to RMB835.18 million for the six months ended 30 June 2020. Specifically, EIT (including deferred income tax) decreased by 37.98% from RMB1,317.26 million for the six months ended 30 June 2019 to RMB817.00 million for the six months ended 30 June 2020, and LAT decreased by 98.40% from RMB1,137.23 million for the six months ended 30 June 2019 to RMB18.18 million for the six months ended 30 June 2020.

The effective income tax rate of the Group for the six months ended 30 June 2020 was 35.14%, compared to 33.74% for the six months ended 30 June 2019. Effective income tax was calculated based on EIT divided by profit before income tax (excluding the share of net profit of investments accounted for using the equity method and LAT).

Profit for the Period attributable to owners of the Company

As a result of the aforementioned changes in the Group's financials, the Group's profit for the Period attributable to owners of the Company decreased by 54.09% from RMB1,978.63 million for the six months ended 30 June 2019 to RMB908.43 million for the six months ended 30 June 2020.

Profit for the Period attributable to non-controlling interests

Profit for the Period attributable to non-controlling interests decreased by 49.50% from a profit of RMB1,459.61 million to a profit of RMB737.07 million. This decrease was primarily attributable to the recognition of revenue from sales of properties during the six months ended 30 June 2020 in the respective projects, which were jointly developed with non-controlling parties.



Management Discussion and Analysis

FINANCING ACTIVITIES

Issuance of US\$250,000,000 7.35% senior notes due 2023

On 9 June 2020, the Company issued senior notes due in December 2023 with an aggregate principal amount of US\$250,000,000 (the **“Original 7.35% Senior Notes”**) on SGX-ST, bearing interest at a rate of 7.35% per annum payable semi-annually in arrears. The maturity date of the Original 7.35% Senior Notes is 15 December 2023. At any time and from time to time before the maturity date, the Company may at its option redeem the Original 7.35% Senior Notes, at a pre-determined redemption price.

As at the date of this report, the Group had utilised most of the net proceeds from the issuance of the Original 7.35% Senior Notes in the manner consistent with the proposed allocations stated in the offering memorandum.

For more details, please refer to the announcements of the Company dated 10 June 2020 and 17 June 2020 and the relevant offering memorandum.

Issuance of additional US\$160,000,000 7.35% senior notes due 2023

On 23 June 2020, the Company issued additional senior notes with an aggregate principal amount of US\$160,000,000 (to be consolidated and form a single series with the Original 7.35% Senior Notes) (the **“Consolidated 7.35% Senior Notes”**). The maturity date of the Consolidated 7.35% Senior Notes is 15 December 2023. At any time and from time to time before the maturity date, the Company may at its option redeem the Consolidated 7.35% Senior Notes, at a pre-determined redemption price.

As at the date of this report, the Group had utilised most of the net proceeds from the issuance of the Consolidated 7.35% Senior Notes in the manner consistent with the proposed allocations stated in the offering memorandum.

For more details, please refer to the announcements of the Company dated 10 June 2020, 17 June 2020, 24 June 2020 and 8 July 2020 and the relevant offering memorandum.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group's net current assets amounted to RMB69,413.99 million (31 December 2019: RMB65,083.01 million). Specifically, the Group's total current assets increased by 2.49% from RMB191,489.97 million as at 31 December 2019 to RMB196,259.89 million as at 30 June 2020. The Group's total current liabilities increased by 0.35% from RMB126,406.96 million as at 31 December 2019 to RMB126,845.91 million as at 30 June 2020. The increase in the Group's total current assets was primarily attributable to the increase in amounts due from related parties by 53.72% from RMB5,654.60 million as at 31 December 2019 to RMB8,692.29 million as at 30 June 2020.

As at 30 June 2020, the Group had cash and bank balances of RMB31,259.61 million (31 December 2019: RMB34,308.57 million), total borrowings of RMB68,937.00 million (31 December 2019: RMB63,177.81 million) and weighted average effective interest rate for outstanding borrowings of 6.67% (including bank borrowings, trust and other borrowings, the domestic corporate bonds, senior notes and the ABS) (31 December 2019: 6.85%).

As at 30 June 2020, the aggregated issued amount of the domestic corporate bonds was RMB12,175.52 million, representing 17.66% of the total borrowings of the Group.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 30 June 2020, the Group's borrowings were secured by the Group's assets of RMB44,763.90 million (31 December 2019: RMB43,318.48 million) which includes (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash; and (vi) investment property. Certain borrowings from financial institutions were also secured by the equity interests of certain subsidiaries.

CONTINGENT LIABILITIES

The Group's contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group's properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to RMB36,154.37 million as at 30 June 2020 (31 December 2019: RMB37,486.46 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

CURRENT RATIO

As at 30 June 2020, the current ratio of the Group was 1.55 times (31 December 2019: 1.51 times). The increase of the Group's current ratio was mainly attributable to the increase of amounts due from related parties and other receivables.

GEARING RATIO

As at 30 June 2020, the gearing ratio of the Group was 0.91 (31 December 2019: 0.70), mainly due to the increase of borrowings. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in first-tier cities in the PRC. There is no concrete plan for future investments in place as at the date of this report.

Management Discussion and Analysis

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pay to Shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2020.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2020, the Group employed a total of 3,488 full-time employees (30 June 2019: 3,475 full-time employees). For the six months ended 30 June 2020, the staff cost recognised as expenses of the Group amounted to RMB623.28 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2020, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

Issuance of Senior Notes due 2024

On 5 August 2020, the Company issued senior notes in the aggregated principal amount of US\$200,000,000 due in 2024 on SGX-ST, with an interest rate of 6.75% per annum payable semi-annually in arrears on 5 February and 5 August of each year, beginning on 5 February 2021.

For more details, please refer to the announcements of the Company dated 30 July 2020 and 7 August 2020.

As at the date of this report, the Group had utilised most of the net proceeds from this offering to refinance certain existing indebtedness of the Company, which was consistent with the purposes disclosed in the aforesaid announcement.

Issuance of 2020 Domestic Corporate Bonds

On 21 July 2020, the Company announced that Rongxin (Fujian) Investment Group Co., Ltd.* (融信(福建)投資集團有限公司) (“**Rongxin**”), an indirect subsidiary of the Company established in the PRC, had lodged an application to the Shanghai Stock Exchange in the PRC to undertake public offering(s) of domestic corporate bonds to qualified investors with an aggregate principal amount of not more than RMB4.0 billion listed on the Shanghai Stock Exchange (the “**2020 Domestic Corporate Bonds**”). On 21 July 2020, the Shanghai Stock Exchange approved an application by Rongxin for the proposed public issuance of the first tranche of domestic corporate bonds with a face value of not exceeding RMB1.65 billion (the “**First Tranche of the Domestic Corporate Bonds**”). On 22 July 2020, Rongxin conducted a book-building exercise with qualified investors for the First Tranche of the Domestic Corporate Bonds. The First Tranche of the Domestic Corporate Bonds have a term of four years and five years, with an option for the Rongxin to adjust the coupon rate and a put option for investors at the end of the second and third year, respectively. The First Tranche of the Domestic Corporate Bonds has been listed on the Shanghai Stock Exchange.

On 17 August 2020, Rongxin conducted a book-building exercise with qualified investors for the second tranche of the 2020 Domestic Corporate Bonds with a face value of not exceeding RMB1,300,000,000 (the “**Second Tranche of the Domestic Corporate Bonds**”). The Second Tranche of the Domestic Corporate Bonds have a term of four and five years, with an option for Rongxin to adjust the coupon rate and a put option for investors at the end of the second and third year, respectively. The Second Tranche of the Domestic Corporate Bonds will be listed on the Shanghai Stock Exchange.

For more details, please refer to the announcements of the Company dated 21 July 2020 and 14 August 2020.

Save as disclosed above, the Group has no other material events after the Period that is required to be disclosed subsequent to 30 June 2020 and up to the date of this report.



Corporate Governance and Other Information

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under the Corporate Governance Code during the six months ended 30 June 2020, save and except for the deviation from code provision A.2.1 of the Corporate Governance Code as disclosed below.

Code provision A.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong (“**Mr. Ou**”), an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou continues to act as the chairman and chief executive officer of the Group following the date upon which the shares of the Company (the “**Shares**”) have been listed on the Main Board of the Stock Exchange, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for Directors’ dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2020.

SHARE OPTION SCHEME

The Company approved and adopted a share option scheme (the “**Share Option Scheme**”) on 28 December 2015. The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.



Corporate Governance and Other Information

Details of the Share Option Scheme

(1) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors believe that the Share Option Scheme will enable the Group to reward its employees, the Directors and other selected participants for their contributions to the Group. It is expected that grantees of the options will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(2) Participants

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively the “**Eligible Participants**”):

- (i) any Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

(3) The maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 135,000,000 Shares (approximately 7.92% of the total Shares in issue as at 30 June 2020).

(4) The maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(5) Time of acceptance and exercise of option

An option may be accepted by a participant to whom the offer is made within 5 business days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Corporate Governance and Other Information

(6) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and
- (iii) the nominal value of a Share on the date of grant.

A nominal consideration of HK\$1 is payable upon acceptance of the grant of an option.

(7) The remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 28 December 2015.

For further details of the Share Option Scheme, please refer to the section headed "Statutory and General Information – Other information – Share Option Scheme" in Appendix V to the prospectus of the Company dated 31 December 2015.

Details of the Share Option Granted

On 5 January 2017, 81,140,880 share options were granted to certain Eligible Participants pursuant to the Share Option Scheme with an exercise price of HK\$5.96 per Share, exercisable from 5 January 2018 to 4 January 2022 in three tranches. The closing price immediately before the date of grant of such share options was HK\$5.98.

On 30 April 2019, a total of 26,571,973 share options were granted to certain Eligible Participants pursuant to the Share Option Scheme with an exercise price of HK\$10.80 per Share, exercisable from 5 January 2020 to 4 January 2022. The closing price immediately before the date of grant of such share options was HK\$10.82.

Corporate Governance and Other Information

As at 30 June 2020, the Company had 45,395,345 share options outstanding under the Share Option Scheme. Movements in the share options granted under the Share Option Scheme during the six months ended 30 June 2020 are as follows:

Name of grantee	Date of grant	Exercise price per share (HK\$)	Exercise period	Balance as at 1 January 2020	Changes during the six months ended 30 June 2020				Balance as at 30 June 2020
					Granted	Exercised	Cancelled	Lapsed	
Directors									
Ms. Yu Lijuan	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	1,032,756	-	-	-	-	1,032,756
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,319,380	-	-	-	-	1,319,380
Ms. Zeng Feiyan ^(Note 4)	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	3,901,205	-	80,000	-	-	3,821,205
Mr. Ruan Youzhi	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	4,624,205	-	-	-	-	4,624,205
Mr. Zhang Lixin (Chief Financial Officer)	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	1,102,256	-	-	-	-	1,102,256
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,319,380	-	-	-	-	1,319,380
Others									
Mr. Ou Guofei ^(Note 3)	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,244,480	-	-	-	-	1,244,480
Other employees ^(Note 5)	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	15,251,078	-	2,371,155	-	-	12,879,923
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	18,051,760	-	-	-	-	18,051,760
Total				47,846,500	-	2,451,155	-	-	45,395,345

Notes:

- (1) in respect of each grantee, the share options granted shall be exercisable during the relevant periods in three tranches: (i) 30% of which shall be vested on the first anniversary of the date of grant, i.e. 5 January 2018; (ii) another 30% of which shall be vested on the second anniversary of the date of grant, i.e. 5 January 2019; and (iii) the remaining of which shall be vested on the third anniversary of the date of grant, i.e. 5 January 2020.
- (2) in respect of each grantee, 100% of the share options granted shall be exercisable and shall be vested on 5 January 2020.
- (3) Mr. Ou Guofei, is the son of Mr. Ou, the Chairman and an executive Director, and therefore is an associate of Mr. Ou.
- (4) The weighted average closing price of the Shares immediately before the dates on which the share options were exercised by Ms. Zeng Feiyan was approximately HK\$10.22.
- (5) The weighted average closing price of the Shares immediately before the dates on which the share options were exercised by other employees was HK\$9.85.

Save as disclosed above, no option was granted or agreed to be granted under the Share Option Scheme during the six months ended 30 June 2020.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

INTERESTS IN SHARES OF THE COMPANY

Name of Director	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Mr. Ou Zonghong ^(Note 2)	Beneficiary of a trust	1,123,974,411 (L)	65.90%
Mr. Zeng Feiyan ^(Note 3)	Beneficial owner	3,821,205 (L)	0.22%
Mr. Ruan Youzhi ^(Note 3)	Beneficial owner	5,531,205 (L)	
	Interest of spouse	319,000 (L)	
		Total: 5,850,205 (L)	0.34%
Mr. Zhang Lixin ^(Note 3)	Beneficial owner	2,421,636 (L)	0.14%
Ms. Yu Lijuan ^(Note 3)	Beneficial owner	2,521,554 (L)	0.15%

Notes:

- (1) As at 30 June 2020, the Company issued 1,705,537,417 Shares. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Mr. Ou is a beneficiary of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (the son of Mr. Ou) as the settlor with Mr. Ou being the protector. TMF (Cayman) Ltd., the trustee of Ou Family Trust, through a wholly owned British Virgin Islands ("BVI") company, namely Honesty Global Holdings Limited, which in turn wholly-owned another BVI company, namely Dingxin Company Limited, held 1,123,974,411 Shares as at 30 June 2020.
- (3) The Company adopted the Share Option Scheme on 28 December 2015. As at 30 June 2020, according to the Share Option Scheme, Ms. Zeng Feiyan had 3,821,205 outstanding share options, Mr. Ruan Youzhi had 4,624,205 outstanding share options, Mr. Zhang Lixin had 2,421,636 outstanding share options and Ms. Yu Lijuan had 2,352,136 outstanding share options.

Save as disclosed above, as at 30 June 2020, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Company, as at 30 June 2020, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name of Shareholders	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Dingxin Company Limited ^(Note 2)	Beneficial owner	1,123,974,411 (L)	65.90%
Honesty Global Holdings Limited ^(Note 2)	Interest in controlled corporation	1,123,974,411 (L)	65.90%
TMF (Cayman) Ltd. ^(Note 2)	Trustee of a trust	1,123,974,411 (L)	65.90%
Mr. Ou Guofei ^(Notes 2, 3)	Settlor of a trust	1,123,974,411 (L)	
	Beneficial owner	1,244,480 (L)	
		Total: 1,125,218,891 (L)	65.97%
Ms. Xu Lixiang ^(Note 4)	Beneficiary of a trust/ Interest of spouse	1,123,974,411 (L)	65.90%

Notes:

- (1) As at 30 June 2020, the Company issued 1,705,537,417 Shares. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Dingxin Company Limited is a BVI company wholly owned by Honesty Global Holdings Limited, another BVI company, wholly owned by TMF (Cayman) Ltd., the trustee of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (as the settlor) with Mr. Ou Zonghong being the protector. Accordingly, each of Honesty Global Holdings Limited, TMF (Cayman) Ltd. and Mr. Ou Guofei is deemed to be interested in the Shares held by Dingxin Company Limited.
- (3) Mr. Ou Guofei is the son of Mr. Ou Zonghong. As at 30 June 2020, according to the Share Option Scheme, Mr. Ou Guofei had 1,244,480 outstanding share options and therefore is deemed to be interested in 1,244,480 unlisted and physically settled derivatives.
- (4) Ms. Xu Lixiang is the spouse of Mr. Ou Zonghong and is therefore deemed under the SFO to be interested in the Shares held by Mr. Ou Zonghong.

Save as disclosed above, as at 30 June 2020, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Repurchase of Shares

During the Period, the Company repurchased a total of 15,896,500 Shares at an aggregate consideration of HK\$125,370,340 (before expenses) on the Stock Exchange using internal resources.

Particulars of the Shares repurchased during the Period are as follows:

Month of Shares repurchased 2020	Date of cancellation	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Total consideration paid (HK\$)
April	29 April 2020	12,440,000	8.24	7.82	99,756,620
May	3 July 2020	3,456,500	7.51	7.30	25,613,720
Total		15,896,500			125,370,340

The above Share repurchases were made with a view to place much emphasis on Shareholders' interest.

Partial Repurchase of Senior Notes

Reference is made to (i) the announcement of the Company dated 30 March 2020 in relation to the partial repurchase of senior notes, (ii) the announcement of the Company dated 20 December 2018 in relation to the issuance of US\$200 million in aggregate principal amount of 11.5% senior notes due July 2020 (the "**July 2020 Notes**"); (iii) the announcement of the Company dated 18 February 2019 and 19 February 2019 in relation to the issuance of US\$600 million in aggregate principal amount of 11.25% senior notes due August 2021 (the "**August 2021 Notes**"); (iv) the announcement of the Company dated 26 February 2019 and 30 April 2019 in relation to the issuance of US\$500 million in aggregate principal amount of 10.5% senior notes due March 2022 (the "**March 2022 Notes**"); (v) the announcement of the Company dated 17 July 2019 and 18 October 2019 in relation to the issuance of US\$420 million in aggregate principal amount of 8.95% senior notes due January 2023 (the "**January 2023 Notes**"); and (vi) the announcement of the Company dated 4 December 2019 in relation to the issuance of US\$324 million in aggregate principal amount of 8.1% senior notes due June 2023 (the "**June 2023 Notes**", together with the July 2020 notes, August 2021 Notes, the March 2022 Notes and the January 2023 Notes, collectively the "**Notes**" which are listed on the Singapore Exchange Securities Trading Limited).

During the Period the Company repurchased part of the Notes in the open market in an aggregated amount of US\$66 million, comprising (i) the July 2020 Notes of US\$1 million in aggregate principal amount; (ii) the August 2021 Notes of US\$40 million in aggregate principal amount; (iii) the March 2022 Notes of US\$12 million in aggregate principal amount; (iv) the January 2023 Notes of US\$5 million in aggregate principal amount; and (v) the June 2023 Notes of US\$8 million in aggregate principal amount.

Corporate Governance and Other Information

As at 30 June 2020, (i) US\$199 million in aggregate principal amount of the July 2020 Notes remained outstanding; (ii) US\$560 million in aggregate principal amount of the August 2021 Notes remained outstanding; (iii) US\$488 million in aggregate principal amount of the March 2022 Notes remained outstanding; (iv) US\$415 million in aggregate principal amount of the January 2023 Notes remained outstanding; and (v) US\$316 million in aggregate principal amount of the June 2023 Notes remained outstanding.

Save as disclosed above, during the six months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxingroup.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee currently consists of three members, namely Mr. Qu Wenzhou, Mr. Ren Yunan and Mr. Ruan Weifeng, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Qu Wenzhou who possesses appropriate professional qualifications. The Audit Committee has reviewed the interim report and the interim results for the six months ended 30 June 2020. The interim results for the six months ended 30 June 2020 has not been audited but has been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board

Ronshine China Holdings Limited

Ou Zhonghong

Chairman

Hong Kong, 31 August 2020



Interim Condensed Consolidated Income Statement

	Note	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	7	21,066,011	26,616,331
Cost of sales		(17,925,601)	(20,254,931)
Gross profit		3,140,410	6,361,400
Selling and marketing costs		(492,509)	(549,619)
Administrative expenses		(690,216)	(743,917)
Fair value (losses)/gains on investment properties	13	(97,497)	78,687
Other income	9	94,184	28,299
Other gains	9	335,096	46,699
Operating profit		2,289,468	5,221,549
Finance income	10	328,752	132,233
Finance costs	10	(275,347)	(312,444)
Finance income/(costs) — net	10	53,405	(180,211)
Share of net profit of investments accounted for using equity method	14	137,801	923,034
Profit before income tax		2,480,674	5,964,372
Income tax expenses	11	(835,178)	(2,454,492)
Profit for the period		1,645,496	3,509,880
Profit for the period attributable to:			
Owners of the Company		908,431	1,978,627
Non-controlling interests		737,065	1,459,612
Holders of Perpetual Capital Instruments		—	71,641
		1,645,496	3,509,880
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
— Basic	12	0.53	1.19
— Diluted	12	0.53	1.18

The above interim condensed consolidated income statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,645,496	3,509,880
Other comprehensive income	—	—
Total comprehensive income for the period	1,645,496	3,509,880
Total comprehensive income for the period attributable to:		
Owners of the Company	908,431	1,978,627
Non-controlling interests	737,065	1,459,612
Holders of Perpetual Capital Instruments	—	71,641
	1,645,496	3,509,880

The above interim condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.



Interim Condensed Consolidated Balance Sheet

	Note	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	1,505,592	1,567,616
Investment properties	13	14,284,300	13,224,100
Right-of-use assets	13	458,302	463,555
Intangible assets		6,373	5,580
Investments accounted for using equity method	14	6,756,940	6,256,491
Financial assets at fair value through profit or loss	5	929,703	755,773
Deferred tax assets		539,439	444,954
Total non-current assets		24,480,649	22,718,069
Current assets			
Properties under development	15	112,783,163	115,299,354
Completed properties held for sale	15	11,704,862	7,673,170
Contract assets		1,036,016	999,576
Trade and other receivables and prepayments	16	27,364,631	25,015,169
Amounts due from related parties	28(d)	8,692,294	5,654,598
Prepaid taxation		3,419,321	2,539,535
Cash and bank balances	17	31,259,605	34,308,567
Total current assets		196,259,892	191,489,969
Total assets		220,740,541	214,208,038
EQUITY			
Share capital	18	15	15
Share premium	18	3,871,526	4,902,013
Other reserves	19	12,407,910	11,503,837
Capital and reserves attributable to the owners of the Company		16,279,451	16,405,865
Non-controlling interests		25,012,461	24,882,365
Total equity		41,291,912	41,288,230

Interim Condensed Consolidated Balance Sheet

	Note	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	21	50,544,966	44,471,364
Lease liabilities		14,339	13,814
Deferred tax liabilities		2,043,417	2,027,669
Total non-current liabilities		52,602,722	46,512,847
Current liabilities			
Borrowings	21	18,392,037	18,706,447
Lease liabilities		18,983	16,982
Contract liabilities	22	63,108,631	60,265,275
Trade and other payables	23	33,112,770	33,070,355
Amounts due to related parties	28(d)	5,169,304	7,293,888
Derivative financial instruments		19,083	85,250
Current tax liabilities		7,025,099	6,968,764
Total current liabilities		126,845,907	126,406,961
Total liabilities		179,448,629	172,919,808
Total equity and liabilities		220,740,541	214,208,038

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserves	Statutory reserves	Share-based	Retained earnings	Subtotal	Non-controlling interests	Total equity
					compensation reverses				
					RMB'000				
(Note 18)	(Note 18)	(Note 19)	(Note 19)	(Note 19)	RMB'000	RMB'000	RMB'000	RMB'000	
Six months ended 30 June 2020 (Unaudited)									
Balance at 1 January 2020	15	4,902,013	851,583	1,661,304	87,183	8,903,767	16,405,865	24,882,365	41,288,230
Comprehensive income									
— Profit for the period	—	—	—	—	—	908,431	908,431	737,065	1,645,496
— Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	908,431	908,431	737,065	1,645,496
Transactions with owners in their capacities as owners									
Buy-back and cancellation of shares (Note 18)	—	(114,462)	—	—	—	—	(114,462)	—	(114,462)
Disposal a subsidiary	—	—	—	—	—	—	—	(359,232)	(359,232)
Acquisition of subsidiaries	—	—	—	—	—	—	—	508,800	508,800
Capital injection from non-controlling interests	—	—	—	—	—	—	—	274,663	274,663
Capital reduction of the subsidiaries	—	—	—	—	—	—	—	(896,400)	(896,400)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	—	(134,800)	(134,800)
Final dividend of 2019 (Note 20)	—	(935,157)	—	—	—	—	(935,157)	—	(935,157)
Share option scheme:									
— Exercise of share options	—	19,132	—	—	(4,358)	—	14,774	—	14,774
Total transactions with owners in their capacities as owners	—	(1,030,487)	—	—	(4,358)	—	(1,034,845)	(606,969)	(1,641,814)
Balance at 30 June 2020	15	3,871,526	851,583	1,661,304	82,825	9,812,198	16,279,451	25,012,461	41,291,912

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Non-controlling interests	Perpetual Capital Instruments	Total equity
	Share capital	Share premium	Capital reserves	Statutory reserves	Share-based compensation reverses	Retained earnings	Subtotal			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 18)	(Note 18)	(Note 19)	(Note 19)	(Note 19)					
Six months ended 30 June 2019 (Unaudited)										
Balance at 1 January 2019	14	4,423,556	851,583	1,261,235	68,668	6,149,772	12,754,828	21,915,398	948,132	35,618,358
Comprehensive income										
— Profit for the period	—	—	—	—	—	1,978,627	1,978,627	1,459,612	71,641	3,509,880
— Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	1,978,627	1,978,627	1,459,612	71,641	3,509,880
Transactions with owners in their capacities as owners										
Issuance of ordinary shares in connection with private placement (Note 18)	1	1,002,617	—	—	—	—	1,002,618	—	—	1,002,618
Redemption of Perpetual Capital Instruments	—	—	—	—	—	—	—	—	(30,000)	(30,000)
Distribution made to holders of Perpetual Capital Instruments	—	—	—	—	—	—	—	—	(53,520)	(53,520)
Capital injections from non-controlling interests	—	—	—	—	—	—	—	277,125	—	277,125
Dividends distribution to non-controlling interests	—	—	—	—	—	—	—	(77,546)	—	(77,546)
Final dividend of 2018 (Note 20)	—	(552,645)	—	—	—	—	(552,645)	—	—	(552,645)
Share option scheme:										
— Exercise of share options	—	94,612	—	—	(23,813)	—	70,799	—	—	70,799
— Value of employee services	—	—	—	—	16,141	—	16,141	—	—	16,141
Total transactions with owners in their capacities as owners	1	544,584	—	—	(7,672)	—	536,913	199,579	(83,520)	652,972
Balance at 30 June 2019	15	4,968,140	851,583	1,261,235	60,996	8,128,399	15,270,368	23,574,589	936,253	39,781,210

The above interim condensed consolidated statement of change in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	927,458	7,644,937
PRC corporate income tax paid	(1,121,629)	(1,325,747)
PRC land appreciation tax paid	(793,981)	(1,008,009)
Net cash (used in)/generated from operating activities	(988,152)	5,311,181
Cash flows from investing activities		
Payments for purchase of property and equipment and investment properties	(429,064)	(597,675)
Payments for purchase of intangible assets	(1,854)	(235)
Proceeds from disposal of property and equipment	1,595	8,637
Capital injections to joint ventures and associates	(848,578)	(555,657)
Proceeds from disposal of an associates	13,100	—
Payments for acquisition of financial assets at fair value through profit and loss	(99,927)	—
Proceeds from disposal of financial assets at fair value through profits and loss	4,000	190,048
Cash advances to related parties	(6,129,193)	(1,585,061)
Repayments from related parties	3,091,498	6,044,921
Interest received	277,350	119,287
Decrease/(increase) in term deposits	4,795,719	(8,505,667)
Payments for acquisition of subsidiaries, net of cash acquired	(136,749)	—
Net cash outflow of disposal of a subsidiary	(19,278)	—
Proceeds from settlement of derivative financial instruments	300	—
Net cash generated from/(used in) investing activities	518,919	(4,881,402)

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2020	2019
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash flows from financing activities		
Proceeds from borrowings	15,824,041	29,260,967
Repayments of borrowings	(10,294,862)	(29,582,126)
Redemption of Perpetual Capital Instruments	—	(30,000)
Distribution to holders of Perpetual Capital Instruments	—	(53,520)
Cash advances from related parties	1,896,630	1,008,169
Repayments to related parties	(3,546,566)	(1,141,775)
Payments for buy-back and cancellation of shares	(114,462)	—
Issuance of shares in connection with private placement	—	1,002,618
Issuance of ordinary shares in connection with exercise of share options	14,774	70,799
Capital injections from non-controlling interests	274,663	277,125
Capital reduction of the subsidiaries	(896,400)	—
Interest paid	(2,385,189)	(2,734,829)
Principal elements of lease payments	(12,988)	(9,759)
Restricted cash pledged for borrowings	163,130	503,581
Dividends paid to the Company's shareholders	(155,479)	—
Net cash generated from/(used in) financing activities	767,292	(1,428,750)
Net increase/(decrease) in cash and cash equivalents	298,059	(998,971)
Cash and cash equivalents at beginning of the period	15,344,805	21,848,572
Exchange (gains)/losses on cash and cash equivalents	(2,374)	152,513
Cash and cash equivalents at end of the period	15,640,490	21,002,114

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

1 General information

Ronshine China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “**Group**”) are principally engaged in property development business in the People’s Republic of China (the “**PRC**”).

The Company’s shares were listed on the Main Board of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2016.

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board on 31 August 2020.

The outbreak of the 2019 Novel Coronavirus (“**COVID-19**”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group, including the delay in construction and delivery of properties, decrease in rental and service revenue and occupancy rate of investment properties and hotels, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group.

This interim condensed consolidated financial information has not been audited.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with HKAS 34, “Interim financial reporting”. The interim report does not include all the notes of the type normally included in annual financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Notes to the Interim Condensed Consolidated Financial Information

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(a) New and amended standards and interpretations adopted by the Group

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-related Rent Concessions
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of other applicable new and amended standards and interpretations did not have any material impact on the interim condensed consolidated financial statements of the Group.

(b) The following new standards and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance Contracts	1 January 2021, likely to be extended to 1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or non-current	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds Before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The above new standards, amendments to existing standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing this interim condensed consolidated financial information. The impact of new standards and amendments to standards and interpretations above is still under assessment by the Group.

Notes to the Interim Condensed Consolidated Financial Information

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (include foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group's businesses are principally conducted in RMB. As at 30 June 2020, the non-RMB assets and liabilities of the Group are mainly cash and bank balances (Note 17) denominated in United States Dollars ("**USD**") and Hong Kong Dollars ("**HK\$**"), financial assets at fair value through profit or loss ("**FVPL**") denominated in USD and HK, borrowings (Note 21) denominated in USD and HK. The Group has certain forward foreign exchange contracts with reputable banks to mitigate the foreign exchange risk during the period ended 30 June 2020.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

There have been no changes in the risk management policies since 31 December 2019.



Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management (continued)

5.2 Liquidity risk

Management of the Group aims to maintain sufficient cash and bank balances or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and bank balances and through having available sources of financing.

The table below sets out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 30 June 2020 (Unaudited)					
Non-derivatives					
Borrowings (Note 21)	22,887,907	30,253,557	24,500,365	351,505	77,993,334
Trade and other payables, excluding accrual for staff costs and allowances, other taxes payable	28,454,388	—	—	—	28,454,388
Lease liabilities	20,655	8,484	3,632	5,059	37,830
Amounts due to related parties	5,169,304	—	—	—	5,169,304
	56,532,254	30,262,041	24,503,997	356,564	111,654,856
Derivatives					
Forward foreign exchange contracts	19,083	—	—	—	19,083

Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management (continued)

5.2 Liquidity risk (continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2019					
Non-derivatives					
Borrowings	23,015,879	20,700,547	27,827,998	685,834	72,230,258
Trade and other payables, excluding accrual for staff costs and other taxes payable	29,272,335	—	—	—	29,272,335
Lease liabilities	18,527	6,855	4,486	5,553	35,421
Amounts due to related parties	7,293,888	—	—	—	7,293,888
	59,600,629	20,707,402	27,832,484	691,387	108,831,902
Derivatives					
Forward foreign exchange contracts	85,250	—	—	—	85,250

Note: Interests on borrowings were calculated on borrowings held as at 30 June 2020 and 31 December 2019, respectively. Floating-rate interests were estimated using the current interest rate as at 30 June 2020 and 31 December 2019, respectively.

The Group also provides guarantees to secure repayment obligations of certain purchasers of the Group's property units and the principal of borrowings of the joint ventures and associates, which will have contractual cash flows only if the guaranteed purchasers, joint ventures or associates default the repayment (Note 24).

Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management (continued)

5.3 Capital management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current portions as shown in the condensed consolidated balance sheet) less cash and bank balances.

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Total borrowings (Note 21)	68,937,003	63,177,811
Less: Cash and bank balances (Note 17)	(31,259,605)	(34,308,567)
Net borrowings	37,677,398	28,869,244
Total equity	41,291,912	41,288,230
Gearing ratio	0.91	0.70

Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management (continued)

5.4 Fair value estimation of financial instruments

The Group's financial assets include cash and bank balances, trade and other receivables, amounts due from related parties, financial assets at FVPL. The Group's financial liabilities include trade and other payables, amounts due to related parties, derivative financial instruments and borrowings. The fair value for financial assets and liabilities with maturities of less than one year are assumed to approximate their carrying amounts due to their short term maturities.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's financial assets at FVPL were measured at 30 June 2020 and 31 December 2019 on a recurring basis:

At 30 June 2020	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
FVPL — unlisted equity securities	755,758	173,945	929,703
Financial liabilities			
Derivative financial instruments			
— forward foreign exchange contracts	19,083	—	19,083

Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management (continued)

5.4 Fair value estimation of financial instruments (continued)

At 31 December 2019	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
FVPL — unlisted equity securities	581,828	173,945	755,773
Financial liabilities			
Derivative financial instruments			
— forward foreign exchange contracts	85,250	—	85,250

The financial assets at FVPL are measured at fair value, which is grouped into level 3 and level 2 fair value measurements, subsequent to initial recognition. Techniques, such as discounted cash flow analysis, discount rate and etc., are used to determine fair value for the FVPL.

The Group's policy was to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers among levels 1, 2 and 3 for recurring fair value measurements.

6 Segment information

The Executive Directors have been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the Executive Directors, which are used to allocate resources and assess performance.

The Group is principally engaged in the property development in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the Executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the Executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the six months ended 30 June 2020 (six months ended 30 June 2019: same).

- (a) As at 30 June 2020, the total non-current assets, other than FVPL and deferred tax assets, were located in the PRC (31 December 2019: same).
- (b) There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the six months ended 30 June 2020 (six months ended 30 June 2019: same).

Notes to the Interim Condensed Consolidated Financial Information

7 Revenue

Revenue of the Group for the six months ended 30 June 2020 is as follow:

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Revenue from sales of properties		
— Recognised at a point in time	20,571,784	26,212,469
Revenue from construction services, hotel operations and others:		
— Recognised at a point in time	126,093	91,429
— Recognised over time	306,513	237,674
Revenue from other sources — rental income	61,621	74,759
	21,066,011	26,616,331

8 Expenses by nature

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold (excluding staff costs)	17,695,795	19,850,269
Staff costs (including directors' emoluments)	623,275	806,312
Marketing and advertising costs	188,868	162,823
Property management fees	131,411	59,175
Depreciation (Note 13)	69,509	78,502

Notes to the Interim Condensed Consolidated Financial Information

9 Other income and other gains

	Six months ended 30 June	
	2020	2019
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Other income:		
Interest income from loans to non-controlling interests and related parties	72,502	—
Forfeited deposits from customers	17,930	25,370
Government grants	2,128	2,642
Miscellaneous	1,624	287
	94,184	28,299
Other gains		
Gains from bond repurchase	81,492	—
Fair value gains on financial assets at FVPL	78,003	46,699
Fair value gains on derivative financial instruments (Note (i))	66,171	—
Gain from disposal of a subsidiary	77,223	—
Gain from disposal of an associate	32,207	—
	335,096	46,699

- (i) The fair value gains on derivative financial instruments was primary attributable to the fair value change of the forward exchange contracts. The notional principal amounts of the outstanding forward foreign exchange contracts as at 30 June 2020 were US\$800,000,000, approximating to RMB5,663,600,000 (2019: US\$1,200,000,000, approximating to RMB8,371,440,000). The forward exchange contracts will be matured on 21 August 2020.

Notes to the Interim Condensed Consolidated Financial Information

10 Finance income/(costs) — net

	Six months ended 30 June	
	2020	2019
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income		
— Net foreign exchange gains	—	12,946
— Interest income from bank deposits	328,752	119,287
	328,752	132,233
Finance costs		
— Net foreign exchange losses	134,658	—
— Borrowing costs	2,343,814	2,652,371
— Less: capitalised	(2,203,125)	(2,339,927)
	275,347	312,444
Finance income/(costs) — net	53,405	(180,211)

11 Income tax expenses

	Six months ended 30 June	
	2020	2019
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax:		
PRC corporate income tax	803,514	1,565,480
Land appreciation tax ("LAT")	18,179	1,137,233
	821,693	2,702,713
Deferred income tax		
PRC corporate income tax	13,485	(248,221)
	835,178	2,454,492

Notes to the Interim Condensed Consolidated Financial Information

11 Income tax expenses (continued)

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2020 and 2019, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “**CIT Law**”) effective on 1 January 2008.

PRC LAT

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

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

Hong Kong profits tax

The applicable Hong Kong profit tax rate is 16.5% for the six months ended 30 June 2020 (six months ended 30 June 2019: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2020 (six months ended 30 June 2019: same).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company’s direct subsidiary in the British Virgin Islands (the “**BVI**”) was incorporated under the Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax.

Notes to the Interim Condensed Consolidated Financial Information

12 Earnings per share

12.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2020 and 2019.

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	908,431	1,978,627
Weighted average number of ordinary shares in issue (in thousand)	1,711,413	1,658,147
Basic earnings per share (RMB per share)	0.53	1.19

12.2 Dilutive

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share option scheme. For the share option scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	908,431	1,978,627
Weighted average number of ordinary shares in issue (in thousand)	1,711,413	1,658,147
Adjustments — share options and awarded shares (in thousand)	5,495	13,081
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	1,716,908	1,671,228
Diluted earnings per share (RMB per share)	0.53	1.18

Notes to the Interim Condensed Consolidated Financial Information

13 Property, plant and equipment, right-of-use assets and investment properties

	Property, plant and equipment RMB'000	Right-of-use assets — Land use rights and properties RMB'000	Investment properties RMB'000
Six months ended 30 June 2020 (Unaudited)			
Opening net book amount as at 1 January 2020	1,567,616	463,555	13,224,100
Acquisition of subsidiaries (Note 27)	1,499	—	—
Additions	7,194	16,841	1,829,697
Disposals	(1,208)	—	(672,000)
Fair value losses	—	—	(97,497)
Depreciation and amortisation	(69,509)	(22,094)	—
Closing net book amount as at 30 June 2020	1,505,592	458,302	14,284,300
Six months ended 30 June 2019 (Unaudited)			
Opening net book amount as at 1 January 2019	1,447,648	449,296	12,031,700
Adoption of HKFRS 16	—	37,776	—
Additions	318,349	4,030	469,613
Disposals	(8,649)	—	—
Fair value gains	—	—	78,687
Depreciation and amortisation	(78,502)	(16,895)	—
Closing net book amount as at 30 June 2019	1,678,846	474,207	12,580,000

The information of the Group's pledged assets is disclosed in the Note 26.

Notes to the Interim Condensed Consolidated Financial Information

14 Investments accounted for using the equity method

There was no associate nor joint venture of the Group as at 30 June 2020 which, in the opinion of the executive directors, are material to the Group. For those individually immaterial associates and joint ventures that are accounted for using the equity method, amounts recognised in the consolidated balance sheet and the consolidated income statement are set out as below:

(i) Amounts recognised in the condensed consolidated balance sheet

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Investments accounted for using the equity method:		
— Joint ventures	5,124,035	4,812,537
— Associates	1,632,905	1,443,954
	6,756,940	6,256,491

(ii) The amounts recognised in the condensed consolidated income statement

	Six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Share of net profits/(losses) of investments accounted for using the equity method:		
— Joint ventures	116,196	905,417
— Associates	21,605	17,617
	137,801	923,034

Notes to the Interim Condensed Consolidated Financial Information

15 Properties under development and completed properties held for sale

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within one operating cycle. The relevant land use rights are on leases of 40 to 70 years.

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Properties under development comprise:		
— Construction costs	20,227,148	20,677,296
— Capitalised interests	15,225,593	13,846,033
— Land use rights	77,330,422	80,776,025
	112,783,163	115,299,354

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Completed properties held for sale comprise:		
— Construction costs	5,201,071	4,476,461
— Capitalised interests	1,235,435	800,098
— Land use rights	5,268,356	2,396,611
	11,704,862	7,673,170

The information of the Group's pledged assets is disclosed in the Note 26.



Notes to the Interim Condensed Consolidated Financial Information

16 Trade and other receivables and prepayments

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade receivables (note (a))	19,271	73,991
Other receivables		
— Amounts due from minority shareholders	9,531,972	8,199,973
— Deposits for acquisition of land use rights and property development projects	2,931,007	2,002,005
— Deposits for construction contracts	405,460	405,460
— Others	1,629,623	1,133,231
	14,498,062	11,740,669
Prepayments		
— Prepayments for acquisition of land use rights	7,674,504	6,887,697
— Prepaid value added tax, business tax and other taxes	4,985,773	6,000,101
— Others	187,021	312,711
	12,847,298	13,200,509
Trade and other receivables and prepayments	27,364,631	25,015,169
Less: non-current portion of prepayments	—	—
Current portion of trade and other receivables and prepayments	27,364,631	25,015,169

Notes to the Interim Condensed Consolidated Financial Information

16 Trade and other receivables and prepayments (continued)

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Aging analysis of the trade receivables is as follows:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Within one year	18,108	69,087
Over one year	1,163	4,904
	19,271	73,991

These trade receivables relate to a number of independent customers for whom there is no significant financial difficulty. Management does not expect any credit loss for these receivables.

- (b) As at 30 June 2020, the Group's trade and other receivables were mainly denominated in RMB (31 December 2019: same). As at 30 June 2020, the Group's maximum exposure to credit risk was the carrying value of each class of receivables mentioned above (31 December 2019: same).

Notes to the Interim Condensed Consolidated Financial Information

17 Cash and bank balances

	30 June 2020	31 December 2019
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash and cash equivalents	15,640,490	15,344,805
Term deposits (Note (a)):	10,876,052	15,671,771
Restricted cash (Note (b)):	4,743,063	3,291,991
	31,259,605	34,308,567

- (a) The weighted average effective interest rate of the Group's term deposits as at 30 June 2020 was 3.61% per annum (31 December 2019: 3.17% per annum). The carrying amounts of the Group's term deposits approximate their fair values, as the impact of discounting is not significant.
- (b) Amounts mainly represent cash deposited with designated banks as guarantee deposits for construction of properties, securities for borrowings and for issuance of commercial bills.

In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group were required to place certain amount of properties presale proceeds at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fee of the relevant property projects when approval from the PRC local State-Owned Land and Resource Bureau is obtained. The remaining balances of the deposits, if any, will be released after completion of related pre-sold properties or issuance of the real estate ownership certificate of the properties, whichever is the earlier.

Notes to the Interim Condensed Consolidated Financial Information

18 Share capital and share premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Six months ended 30 June 2019 (Unaudited)					
As at 1 January 2019	1,601,260,500	15,983	14	4,423,556	4,423,570
Issue of ordinary shares in connection with private placement (Note (b))	108,000,000	1,080	1	1,002,617	1,002,618
Final dividend of 2018 (Note 20)	—	—	—	(552,645)	(552,645)
Share option scheme					
— Exercise of share options	13,845,000	138	—	94,612	94,612
As at 30 June 2019	1,723,105,500	17,201	15	4,968,140	4,968,155
Six months ended 30 June 2020 (Unaudited)					
As at 1 January 2020	1,715,526,000	17,126	15	4,902,013	4,902,028
Buy-back and cancellation of shares (Note (c))	(15,896,500)	(159)	—	(114,462)	(114,462)
Final dividend of 2019 (Note 20)	—	—	—	(935,157)	(935,157)
Share option scheme					
— Exercise of share options	2,451,000	25	—	19,132	19,132
As at 30 June 2020	1,702,080,500	16,992	15	3,871,526	3,871,541

- (a) The authorised share capital of the Company as at 30 June 2020 was HK\$380,000 (31 December 2019: same) divided into 38,000,000,000 shares (31 December 2019: same).
- (b) On 3 April 2019, 108,000,000 shares of the Company were placed to certain independent investors at a price of HK\$10.95 per share.
- (c) The Company acquired 15,896,500 of its own shares through purchases from the stock market during the period for cash totaling HK\$125,370,000 (equivalent to RMB114,462,000) which have been deducted from the share premium account. These shares have been cancelled subsequently.

Notes to the Interim Condensed Consolidated Financial Information

19 Other reserves

(a) Capital reserves

Capital reserves mainly represented accumulated capital contribution from the shareholders of the Group companies.

(b) Statutory reserves

In accordance with relevant rules and regulations in the PRC, when declaring dividend, the Group's PRC subsidiaries are required to appropriate not less than 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of the registered capital of the respective companies. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses brought forward from prior years or to increase the paid up capital of respective companies.

(c) Share-based compensation reserve

The Company approved and adopted a share option scheme on 28 December 2015 (the "**Share Option Scheme**"). Share options under the Share Option Scheme (the "**Option**") are granted to eligible participant (the "**Eligibles**") including directors and other employees. Options are conditional on the Eligibles have served the Group for certain periods (the vesting period). Share Options are granted for no consideration and carry no dividend or voting rights. When exercisable, each Option is convertible into one ordinary share. The Group has no legal or constructive obligation to repurchase or settle the Options in cash.

On 5 January 2017, approximately 62,469,000 share options (the "**2017 Options**") were granted to Eligibles with an exercise price of HK\$5.96 per share. The expiry date of the 2017 Options will be 4 January 2022.

On 30 April 2019, approximately 26,571,973 share options (the "**2019 Options**") were granted to Eligibles with an exercise price of HK\$10.8 per share. The expiry date of the 2019 Options will be 4 January 2022.

There were two types of vesting schedule for above share options, which are: i) 30% of the options will be vested after 12 months of the grant date; 30% of the options will be vested after 24 months of the grant date and the remaining 40% will be vested after 36 months of the grant date, ii) options will be vested after 8 months of the grant date.

Notes to the Interim Condensed Consolidated Financial Information

19 Other reserves (continued)

(c) Share-based compensation reserve (continued)

Set out below are movement of Options granted under the Share Option Scheme:

	Number of Options
As at 1 January 2019	44,324,000
Granted during the period	26,572,000
Forfeited during the period	(5,190,000)
Exercised during the period	(13,845,000)
<hr/>	
As at 30 June 2019	51,861,000
<hr/>	
As at 1 January 2020	47,846,500
Exercised during the period	(2,451,000)
<hr/>	
As at 30 June 2020	45,395,500

The share options above are fully vested and exercisable.

The fair values of Options determined by reference to valuation prepared by an independent valuer. The significant inputs in the model were as follows:

	2017 option	2019 option
Fair value per Option at measurement date	HK\$1.88 to HK\$1.99	HK\$2.38 to HK\$2.41
(a) expected maturity date:	4 January 2022	4 January 2022
(b) stock price at grant date and exercise price:	HK\$5.96 per share	HK\$10.8 per share
(c) volatility:	34.41%	41.56%
(d) annual risk-free interest rate:	2.09%	2.04%
(e) dividend yield	nil	2.8%
(f) suboptimal factors:	2 or 3	1.69 to 1.77

Notes to the Interim Condensed Consolidated Financial Information

20 Dividend

The 2018 final dividend of HK\$0.365 per ordinary share, totaling HK\$629,439,000 (equivalent to approximately RMB552,645,000), was approved by the shareholders at the annual general meeting held on 5 June 2019.

The 2019 final dividend of HK\$0.60 per ordinary share, totaling approximately HK\$1,021,249,000 (equivalent to approximately RMB935,157,000) according to the shareholders of the Company registered on 16 June 2020, was approved by the shareholders at the annual general meeting held on 5 June 2020.

21 Borrowings

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Senior notes — secured (Note (a))	21,416,502	21,333,454
Asset backed securities — secured (Note (b))	3,543,400	2,447,400
Corporate bonds — unsecured	12,175,516	12,167,521
Borrowings from financial institutions — secured (Note (c))	30,657,573	26,291,536
Less: current portion of non-current borrowings	(17,248,025)	(17,768,547)
	50,544,966	44,471,364
Borrowings included in current liabilities:		
Borrowings from financial institutions — secured (Note (c))	1,144,012	937,900
Current portion of non-current borrowings	17,248,025	17,768,547
	18,392,037	18,706,447
Total borrowings	68,937,003	63,177,811

Notes to the Interim Condensed Consolidated Financial Information

21 Borrowings (continued)

- (a) The senior notes are guaranteed and secured by equity interests of certain non-PRC subsidiaries.
- (b) The ABS was pledged by the right of receipt of proceeds arising from the Group's sales of certain properties.
- (c) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 26.
- (d) The Group's borrowings were repayable as follows:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Within 1 year	18,392,037	18,706,447
Between 1 and 2 years	27,177,129	17,721,081
Between 2 and 5 years	23,036,525	26,105,190
Over 5 years	331,312	645,093
Total	68,937,003	63,177,811

- (e) The Group's borrowings were denominated in:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
— RMB	46,268,997	40,885,783
— US\$	21,416,502	21,333,454
— HK\$	1,251,504	958,574
	68,937,003	63,177,811

- (f) The fair value of senior notes as at 30 June 2020 was RMB22,421,902,000 (31 December 2019: RMB20,748,644,000), which was quoted in Singapore Exchange Ltd. and within level 1 of the fair value hierarchy. The carrying amounts of borrowings other than senior notes approximate their fair values as at 30 June 2020 (31 December 2019: same) as either the impact of discounting were not significant or the borrowings carry floating rates of interests.

Notes to the Interim Condensed Consolidated Financial Information

22 Contract liabilities

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Current contract liabilities — sales of properties	63,108,631	60,265,275

- (a) The following table set out the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Six months ended 30 June 2020 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	15,338,327

- (b) The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities, which are expected to be recognised in 1 to 3 years as of 30 June 2020 and 31 December 2019.

Notes to the Interim Condensed Consolidated Financial Information

23 Trade and other payables

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade payables (Note (a))	11,815,898	11,838,408
Note payables	346,706	343,297
Other payables:		
— Amounts due to non-controlling interests	11,451,844	13,483,058
— Other taxes payable	4,524,291	3,556,357
— Interests payable	946,088	986,136
— Deposits received for sales of properties	424,250	379,526
— Dividend payable	951,102	171,424
— Deposits from contractors and suppliers	551,228	533,075
— Accrued payroll	134,091	241,663
— Others	1,967,272	1,537,411
	33,112,770	33,070,355

(a) The ageing analysis of the trade payables is as follows:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Within one year	9,529,881	9,363,765
Over one year	2,286,017	2,474,643
	11,815,898	11,838,408

(b) Trade and other payables were unsecured, interest-free, repayable on demand and denominated in RMB, except the dividend payable was denominated in HK\$.

(c) The carrying amounts of trade and other payables were considered to be the same as their fair values.

Notes to the Interim Condensed Consolidated Financial Information

24 Financial guarantee

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Guarantee in respect of mortgage facilities for certain purchasers (Note (a))	33,556,118	34,322,018
Guarantee provided for the borrowings of the joint ventures (Note (b))	2,598,250	3,164,440
	36,154,368	37,486,458

- (a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The directors consider that the likelihood of loss of the Group resulting from the default in payments by purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

- (b) Amounts represented the maximum exposure of the guarantees provided by the Group.

25 Commitments

Commitments for property development expenditures and equity investments are as follows:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Contracted but not provided for		
— Property development activities	14,849,703	21,260,554
— Land use rights	6,721,332	450,527
— Equity investment	507,271	107,097
	22,078,306	21,818,178

Notes to the Interim Condensed Consolidated Financial Information

26 Assets pledged as security

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	664,523	717,297
Land use rights	261,933	265,881
Investment properties	6,270,700	5,132,788
Total non-current assets pledged as security	7,197,156	6,115,966
Current assets		
Properties under development and completed properties held for sale	36,774,446	36,451,662
Restricted cash	792,293	750,853
Total current assets pledged as security	37,566,739	37,202,515
Total assets pledged as security	44,763,895	43,318,481

Set out above are the Group's assets pledged as securities for the Group's borrowings (Note 21(c)).

The Company's shares in certain subsidiaries were pledged as security for borrowing of the Group at 30 June 2020.

Notes to the Interim Condensed Consolidated Financial Information

27 Business combination

(a) Summary of acquisition

During the six months ended 30 June 2020, the Group acquired certain subsidiaries engaged in property development in the PRC.

The following table summarizes the considerations paid for acquisitions of these subsidiaries, the fair value of assets acquired and liabilities assumed at the acquisition dates.

	RMB'000
Purchase considerations — cash	191,200

The assets and liabilities recognised as a result of the acquisitions on the acquisition dates are as follows:

	Fair value RMB'000
Property, plant and equipment	1,499
Properties under development	3,227,869
Trade and other receivables and prepayments (Note (i))	1,236,597
Amounts due from shareholders and its subsidiaries	715,817
Prepaid taxation	73,344
Cash and bank balances	54,451
Deferred income tax liabilities	(344,750)
Trade and other payables	(466,569)
Contract liabilities	(3,798,258)
Net identifiable assets acquired	700,000
Less: non-controlling interests	(508,800)
Net assets acquired	191,200

Notes to the Interim Condensed Consolidated Financial Information

27 Business combination (continued)**(a) Summary of acquisition (continued)****(i) Acquired receivables**

The fair value of acquired trade and other receivables and prepayments was equal to its gross contractual amounts receivable. At the acquisition dates, none of such balance was expected to be uncollectible.

(ii) Accounting policy choice for non-controlling interests

The Group elected to recognise the non-controlling interests at its proportionate share of the fair value of the acquired net identifiable assets.

(iii) Revenue and profit contribution

The acquired business contributed revenues of RMB3,475,738,000 and net profit of RMB130,669,000 to the Group for the period from the respective acquisition dates to 30 June 2020. If the acquisitions had occurred on 1 January 2020, consolidated revenue and consolidated profit after tax for the six months ended 30 June 2020 of the Group would have been RMB21,066,011,000 and RMB1,642,984,000, respectively.

(b) Purchase consideration — cash outflow

	2020 RMB'000
Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	191,200
Less: cash and bank balance acquired	(54,451)
	<hr/>
Net outflow of cash — investing activities	136,749

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions

(a) Major related parties that had transactions during the six month ended 30 June 2020 with the Group are as follows:

Related parties	Relationship with the Group
Mr. Ou Zonghong (“Mr. Ou”)	Controlling Shareholder and director of the Company
Dingxin Company Limited (“Dingxin”)	Immediate holding company of the Company
Rongxin Shiou Property Service Group Limited 融信世歐物業服務集團有限公司	A company controlled by the Controlling Shareholder
Xiuyi (Fujian) Landscape Engineering Co., Ltd. 秀藝(福建)園林工程有限公司	A company controlled by the Controlling Shareholder
Nanjing Kaijingsheng Property Development Co., Ltd 南京愷璟晟房地產開發有限公司	Joint Venture
Hangzhou Xinchun Property Co., Ltd. 杭州信辰置業有限公司	Joint Venture
Hangzhou Zhongxu Property Co., Ltd. 杭州眾旭置業有限公司	Joint Venture
Hangzhou Ronghao Property Co., Ltd. 杭州融浩置業有限公司	Joint Venture
Ningbo Fenghua Hedu Property Development Co., Ltd. 寧波奉化和都房地產開發有限公司	Joint Venture
Jiujiang Ronxi Real Estate Co., Ltd 九江融璽房地產開發有限公司	Joint venture
Jiangmen City Ronchang Real Estate Development Co., Ltd 江門市融昌房地產開發有限公司	Joint venture
Jiangsu Ronghua Property Development Co., Ltd. 江蘇融華置業發展有限公司	Joint venture
Hangzhou Jinguan Property Co., Ltd. 杭州錦官置業有限公司	Joint venture
Qiaocheng real estate group Chongqing Kaizhou District Co., Ltd. 僑城地產集團重慶市開州區有限責任公司	Joint venture
Qingdao West Coast Tianze Construction Development Co., Ltd. 青島西海岸天澤建設發展有限公司	Joint venture
Kunshan Xingwei Property Co., Ltd. 昆山興未置業有限公司	Joint venture
Hangzhou Hexin Real Estate Development Co., Ltd 杭州和昕房地產開發有限公司	Joint Venture
Hangzhou Linanlongxing Real Estate Development Co., Ltd 杭州臨安龍興房地產開發有限公司	Joint Venture

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2020 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Zhejiang Kunchuang Property Co., Ltd. 浙江坤創置業有限公司	Joint Venture
Nanjing Huihe Property Co., Ltd. 南京薈合置業有限公司	Joint Venture
Tongxiang City Jiazhu Property Co., Ltd. 桐鄉市嘉築置業有限公司	Joint Venture
Zhejiang Xinghui Property Co., Ltd. 浙江星暉置業有限公司	Joint Venture
Jinhua Tianxi Property Co., Ltd 金華天璽置業有限公司	Joint Venture
Ronrui Co., Ltd 融瑞有限公司	Joint Venture
Tianjin Jinrui Property Co., Ltd 天津金銳置業有限公司	Joint Venture
Hangzhou Rongxuan Real Estate Development Co., Ltd. 杭州融暉房地產開發有限公司	Joint Venture
Hangzhou Wanjing Property Co., Ltd. 杭州萬璟置業有限公司	Joint venture
Jinhua Ruiying Real Estate Co., Ltd. 金華市瑞盈房地產有限公司	Joint venture
Zhoushan Kairong Real Estate Development Co., Ltd. 舟山愷融房地產開發有限公司	Joint venture
Nanjing Taiyi hexin Management Consultancy Co., Ltd. 南京泰熠和信企業管理諮詢有限公司	Joint venture
Cixi Jingui Property Co., Ltd. 慈溪市金桂置業有限公司	Joint venture
Dongtai Xinbi Real Estate Development Co., Ltd. 東台市新碧房地產開發有限公司	Joint venture
Fuyang Lvdi Property Co., Ltd. 阜陽綠地置業有限公司	Joint venture
Hefei Hai Liang Property Co., Ltd. 合肥海亮置業有限公司	Joint venture
Fuzhou Liboshuntai Property Development Co., Ltd. 福州利博順泰房地產開發有限公司	Joint venture

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2020 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Bengbu City Bicheng Real Estate Development Co., Ltd. 蚌埠市碧誠房地產開發有限公司	Joint venture
Fujian Rongteng Property Co., Ltd. 福建融騰置業有限公司	Joint venture
Shanghai Kaidai Real Estate Development Co., Ltd. 上海愷岱房地產開發有限公司	Joint venture
Hairong (Zhangzhou) Property Co., Ltd. 海融(漳州)房地產有限公司	Joint venture
Qidong Bilian Property Co., Ltd. 啟東碧聯置業有限公司	Joint venture
Fuzhou Yubaichuan Real Estate Development Co., Ltd. 福州裕百川房地產開發有限公司	Joint Venture
Anji Rongshang Real Estate Co., Ltd. 安吉融尚房地產有限公司	Joint venture
Fuzhou Hongbailong Real Estate Development Co., Ltd. 福州泓百隆房地產開發有限公司	Joint venture
Fuyang Shangjun Real Estate Co., Ltd. 阜陽上郡房地產有限公司	Joint venture
Fujian Rongdaxin Investment Co., Ltd. 福建融達信投資有限公司	Joint venture
Hangzhou Longyi Real Estate Development Co., Ltd. 杭州龍毅房地產開發有限公司	Associate
Hangzhou Meishengmei Property Co., Ltd. 杭州美生美置業有限公司	Associate
Chengdu Jinfenghua Property Co., Ltd. 成都金豐華置業有限公司	Associate
Fuzhou City Yuxiang Real Estate Development Co., Ltd. 福州市禹翔房地產有限公司	Associate
Hangzhou Xuanlu Industrial Co. Ltd 杭州宣祿實業有限公司	Associate
Nanjing Jintai Real Estate Development Co., Ltd. 南京錦泰房地產開發有限公司	Associate
Jiangmen City Hongshun Real Estate Development Co., Ltd. 江門市弘順房地產開發有限公司	Associate

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2020 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Hangzhou Yuqian Real Estate Development Co., Ltd. 杭州譽乾房地產開發有限公司	Associate
Hangzhou Rongxin Real Estate Development Co., Ltd. 杭州融歆房地產開發有限公司	Associate
Zhenjiang Yiteng Real Estate Development Co., Ltd. 鎮江億騰房地產開發有限公司	Associate
Shaanxi Shengshi Haihong Real Estate development Co., Ltd. 陝西盛世海宏房地產開發有限公司	Associate
Hangzhou Lvcheng Wangxi Real Estate Development Co., Ltd. 杭州綠城望溪房地產開發有限公司	Associate
Fuzhou Wanxi Real Estate Co., Ltd. 福州市萬曦房地產有限公司	Associate
Shaanxi Hai He Real Estate Development Co., Ltd. 陝西海和房地產開發有限公司	Associate
Yinchuan Shihai Real Estate Co., Ltd. 銀川世海房地產有限公司	Associate
Yinchuan Hai Mao Real Estate Co., Ltd. 銀川海茂房地產有限公司	Associate
Fuyang Guangmei Property Co., Ltd. 阜陽光美置業有限公司	Associate
Nantong Jianghe Property Co., Ltd. 南通江河置業有限公司	Associate
Zhangzhou City Vanke Binjiang Property Co., Ltd. 漳州市萬科濱江置業有限公司	Associate
Hangzhou Ronlang Real Estate Development Co., Ltd 杭州融朗房地產開發有限公司	Associate
Jiaxing Zhenyue Property Co., Ltd. 嘉興臻嶽置業有限公司	Associate
Yueqing City Ronliang Real Estate Development Co., Ltd 樂清市融梁房地產開發有限公司	Associate

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions (continued)

(b) Key management compensation

Compensation for key management including directors is set out below:

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Key management compensation:		
— Salaries and other employee benefits	8,813	5,959
— Pension costs	110	123
— Value of employee services under share option scheme	—	5,683
	8,923	11,765

(c) Transactions with related parties

Save as disclosed elsewhere in this interim condensed consolidated financial information, during the six months ended 30 June 2020, the Group had the following transactions with related parties.

Services provided by related parties

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
— Property management services	106,704	36,084
— Landscape engineering services	125,927	38,928

Services provided to related parties

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	21,134	—
Consultation services	105,054	—

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

Notes to the Interim Condensed Consolidated Financial Information

28 Significant related party transactions (continued)

(c) Transactions with related parties (continued)

Services provided to related parties (continued)

Please refer to Note 24 for the guarantee provided for the borrowings of the joint ventures by the Group.

As at 30 June 2020, a subsidiary of Rongxin Shiou Property Service Group Limited has provided guarantee and pledged the collection rights of its property management service fee as collateral for the Group's borrowings amounting to RMB1,199.5 million.

(d) Balances with related parties

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Amounts due from related parties:		
— Joint ventures	5,302,681	4,321,851
— Associates	3,389,613	1,332,747
	8,692,294	5,654,598
Amounts due to related parties:		
— Joint ventures	3,778,068	5,800,306
— Associates	1,103,439	1,227,676
— Other related parties:	287,797	265,906
— Mr. Ou	58,831	66,360
— Rongxin Shiou Property Service Group Limited	178,350	140,739
— Xiuyi (Fujian) Landscape Engineering Co., Ltd.	50,616	58,807
	5,169,304	7,293,888

Amounts due from related parties mainly represented the cash advances made to related parties which are unsecured, repayable on demand and denominated in RMB.

Amounts due to Rongxin Shiou Property Service Group Limited represented mainly the payables of property management fees which are unsecured, interest free and to be settled according to agreed terms and denominated in RMB.

Amounts due to Xiuyi (Fujian) Landscape Engineering Co., Ltd. represented mainly the payables of landscape engineering services fee which were unsecured, interest free, to be settled according to agreed terms and denominated in RMB.

Other amounts due to related parties mainly represented cash advances from related parties which were unsecured, interest-free, repayable on demand and denominated in RMB.