



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

2021 INTERIM REPORT

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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, FCG*)

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\$150,000,000 5.25% Senior Notes due 2021

Common Code: 226832645
ISIN: XS2268326456

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

Common Code: 195748144
ISIN: XS1957481440

US\$690,000,000 8.75% Senior Notes due 2022

Common Code: 197676078
ISIN: XS1976760782

US\$200,000,000 5.50% Senior Notes due 2022

Common Code: 229447254
ISIN: XS2294472548

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\$166,000,000 6.75% Senior Notes due 2024

Common Code: 221151488
ISIN: XS2211514885

US\$250,500,000 7.1% Senior Notes due 2025

Common Code: 229030884
ISIN: XS2290308845

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 2021 (the “**Period**”).

	For the six months ended 30 June		Change in percentage
	2021	2020	
Revenue (RMB'000)	21,739,463	21,066,011	3.20%
Cost of sales (RMB'000)	(19,564,058)	(17,925,601)	9.14%
Gross profit (RMB'000)	2,175,405	3,140,410	–30.73%
Other income and other gains (RMB'000)	417,681	429,280	–2.70%
Profit before income tax (RMB'000)	1,628,757	2,480,674	–34.34%
Profit for the period (RMB'000)	1,040,403	1,645,496	–36.77%
– attributable to owners of the Company (RMB'000)	684,511	908,431	–24.65%
– attributable to non-controlling interests (RMB'000)	355,892	737,065	–51.71%

	As at	As at	Change in percentage
	30 June 2021	31 December 2020	
Total assets (RMB'000)	246,609,711	233,248,787	5.73%
Total liabilities (RMB'000)	193,920,557	182,589,784	6.21%
Total equity (RMB'000)	52,689,154	50,659,003	4.01%
Capital and reserve attributable to owners of the Company (RMB'000)	17,694,060	17,713,063	–0.11%

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 2021.

PROJECTS DEVELOPED BY THE GROUP

As at 30 June 2021, the subsidiaries, joint ventures and associated companies of the Group engaged in a total of 282 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	Fuzhou China Legend (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	293,257.53	31/12/2020
2	Fuzhou Hot Spring City (福州融信溫泉城)	Fuzhou	1,018,836.00	50.00%	Residential	1,674,327.62	1,114,387.26	1/12/2020
3	Fuzhou Nice Villa (福州有墅)	Fuzhou	161,008.40	25.50%	Residential	258,248.00	152,157.44	30/6/2020
4	Shanghai Zhongxing Road (上海中興路)	Shanghai	31,034.10	50.00%	Residential	149,836.40	45,826.68	31/12/2021
5	Nanjing Boan Center (南京鉅岸中心)	Nanjing	42,707.52	100.00%	Residential	351,699.72	252,578.14	1/11/2020
6	Kunshan Yulan Residence (昆山玉蘭公館)	Suzhou	76,671.70	50.00%	Residential	280,319.55	66,644.02	30/1/2020
7	Zhangzhou No. 1 (漳州壹號府)	Zhangzhou	52,438.88	93.03%	Residential	193,882.55	46,504.85	2/3/2021
8	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	Nanjing	82,627.65	44.90%	Residential	201,690.70	143,072.39	31/3/2020
9	Tianjin West Coast (天津西海岸)	Tianjin	106,043.80	93.21%	Residential	181,915.76	120,279.15	1/7/2022
10	Tianjin Jinnan (天津津南府)	Tianjin	68,970.00	93.24%	Residential	130,100.00	90,682.11	1/11/2022
11	Putian Ronshine (莆田融信府)	Putian	37,289.36	87.69%	Residential	125,867.40	21,965.41	17/1/2021
12	Guangzhou Tianyue (廣州天樾府)	Guangzhou	28,001.00	91.05%	Residential	117,382.53	32,950.01	23/5/2020
13	Chongqing Lan Bay (重慶瀾灣)	Chongqing	117,541.00	96.66%	Residential	332,507.30	66,061.55	31/5/2020
14	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	Hangzhou	48,543.00	87.00%	Residential	131,391.96	17,482.39	31/12/2019
15	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	Shaoxing	248,819.00	91.70%	Residential	817,520.32	225,260.92	10/5/2020
16	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	Zhengzhou	64,876.00	87.00%	Residential	252,987.87	201,282.71	31/11/2021
17	Nanjing Wanke Du Hui Tian Di (南京萬科都荟天地)	Nanjing	108,521.76	6.21%	Residential	643,841.00	200,507.45	20/1/2020
18	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	48,162.65	25/1/2021
19	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	Hangzhou	53,417.00	63.54%	Residential	219,298.35	30,538.74	31/5/2021
20	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城-蘇派-1)	Zhengzhou	236,878.59	87.89%	Residential	472,656.50	353,363.77	18/8/2020
21	Tongling Lanshan Fu (銅陵瀾山府)	Tongling	60,475.00	38.76%	Residential	161,075.00	47,168.73	30/6/2020
22	Xingfu Li • East County (幸福里•東郡)	Fuyang	86,710.00	43.07%	Residential	293,513.86	77,768.77	30/6/2020
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	Hailiang • Tangning Mansion (海亮•唐寧府)	Xi'an	70,065.04	26.40%	Residential	267,799.96	25,223.09	30/9/2020
25	Lanzhou Xi'an Hua Fu (熙岸華府)	Lanzhou	65,784.80	55.00%	Residential	264,701.52	70,546.70	30/10/2018
26	Haining Lanting (海寧瀾庭)	Jiaxing	52,780.00	87.00%	Residential	110,992.64	44,118.90	1/12/2020
27	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城-中橋-1)	Zhengzhou	302,571.59	87.00%	Residential	441,400.14	347,424.38	1/10/2021

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	
28	Chengdu Lan Sky (成都瀾天)	Chengdu	22,731.50	87.00%	Residential	80,984.61	23,224.74	1/9/2020
29	Mengcheng Age Xingfu Li (蒙城時代幸福里)	Mengcheng	71,359.39	22.97%	Residential	180,133.00	26,582.05	1/6/2020
30	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	1/8/2020
31	The Ocean Costal (青島海月星灣)	Qingdao	100,705.00	40.29%	Residential	422,216.85	341,539.76	1/5/2021
32	Fuzhou Park Left Bank Project (福州公園左岸)	Fuzhou	65,666.00	4.35%	Residential	183,995.02	17,978.08	1/12/2021
33	Shanghai Yangpu Lot (上海楊浦平涼地塊)	Shanghai	16,112.30	15.20%	Commercial	81,398.21	27,242.00	1/9/2020
34	Hai Liang • Yuchen (海亮•御宸)	Xi'an	27,695.33	29.57%	Residential	104,922.00	42,398.10	1/12/2022
35	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	1/4/2026
36	Suzhou Haiyue Pingjiang (蘇州海月平江)	Suzhou	26,930.70	48.08%	Residential	90,429.21	49,563.16	1/10/2021
37	Changle Lanshan (長樂瀾山)	Fuzhou	125,737.00	29.06%	Residential	317,109.00	233,567.87	1/12/2021
38	Chongqing Haiyue Pinghu (重慶海月平湖)	Chongqing	37,791.00	94.00%	Residential	95,045.18	50,540.93	1/3/2021
39	Jiangmen Guoyue House (江門國樞府)	Jiangmen	30,230.62	31.02%	Residential	103,032.50	58,199.35	1/11/2022
40	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	Huzhou	70,277.00	47.00%	Residential	187,968.94	91,011.31	1/3/2022
41	Tianjin Lanyue 3 (天津瀾悅3號)	Tianjin	34,369.00	46.95%	Residential	75,159.11	31,327.43	1/12/2021
42	Tianjin Lanyue 4 (天津瀾悅4號)	Tianjin	27,184.00	47.00%	Residential	71,610.68	27,590.65	1/2/2023
43	Changtai Luxi County (長泰鷺西部)	Zhangzhou	24,000.00	80.80%	Residential	81,453.33	38,376.39	1/8/2022
44	Pingtai Lanchen (平潭瀾宸)	Fuzhou	66,431.00	93.99%	Residential	191,194.23	128,899.62	1/8/2021
45	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	Jiujiang	67,374.00	35.60%	Residential	182,044.00	68,092.92	1/7/2022
46	Fuyang Linquan Project (阜陽臨泉項目)	Fuyang	92,155.95	20.63%	Residential	235,107.00	54,074.61	1/11/2022
47	Wenzhou Hai Yue Qing Feng (溫州海月清風)	Wenzhou	134,979.00	28.76%	Residential	351,082.00	116,071.16	1/12/2022
48	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	Hangzhou	57,103.00	31.02%	Residential	196,204.08	19,467.57	1/3/2022
49	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	Shaoxing	19,403.00	91.70%	Residential	51,581.00	24,536.88	1/8/2021
50	Zhengzhou Shi Guang Zhi Cheng (鄭州時光之城)	Zhengzhou	199,774.58	47.40%	Residential	574,869.73	393,372.06	1/11/2020
51	Jiangmen Mansion (江門學院府)	Jiangmen	46,153.55	47.00%	Residential	187,752.90	111,328.67	1/4/2022
52	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	Wenzhou	24,251.70	31.96%	Residential	99,656.80	22,703.94	1/1/2022
53	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	142,087.40	1/11/2021
54	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	Chongqing	19,497.00	97.96%	Residential	57,801.20	15,420.65	1/9/2021
55	Tan Zi Kou (灘子口)	Chongqing	13,938.00	31.96%	Residential	39,876.93	25,568.60	1/2/2021
56	Nantong Lan Chen (南通瀾宸)	Nantong	86,194.00	95.74%	Residential	160,034.00	86,101.03	1/4/2022
57	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	94,381.10	1/6/2022
58	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	66,441.93	1/4/2022
59	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	Wenzhou	43,630.00	28.00%	Residential	156,072.00	37,715.12	1/1/2023
60	Qingdao Manshan Lanting (青島縵山蘭亭)	Qingdao	94,800.00	22.00%	Residential	205,868.18	73,543.56	1/9/2021

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	Nanjing 2019G87 (南京2019G87)	Nanjing	49,829.00	32.56%	Residential	195,888.60	30,038.85	1/4/2022
62	Nanjing 2019G94 (南京2019G94)	Nanjing	53,456.21	99.00%	Residential	96,161.85	57,901.15	1/5/2022
63	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	Hangzhou	51,006.00	24.00%	Residential	127,515.00	44,413.65	1/10/2022
64	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	Zhengzhou	102,755.00	50.37%	Residential	508,336.25	388,421.10	1/8/2021
65	Taiyuan Shi Guang Zhi Cheng (太原時光之城)	Taiyuan	117,073.23	76.59%	Residential	553,989.00	424,071.73	1/8/2022
66	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	1/8/2020
67	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	1/4/2026
68	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	Quzhou	43,329.00	45.00%	Residential	103,709.58	48,148.75	1/1/2022
69	Chongqing Kaizhou Project (重慶開州項目)	Chongqing	61,133.64	44.01%	Residential	358,289.21	154,242.95	1/8/2021
70	Wenzhou Rongwang (溫州榮望)	Wenzhou	57,018.20	25.52%	Residential	203,717.00	105,288.23	1/12/2022
71	Fuyang Yingzhou Project (阜陽穎州項目)	Fuyang	147,590.00	55.00%	Residential	329,589.60	290,698.44	1/12/2022
72	Lianyungang Mansion (連雲港學院府)	Lianyungang	72,107.00	65.00%	Residential	229,177.50	149,707.55	1/10/2022
73	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	1/8/2022
74	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	Hangzhou	105,869.00	34.00%	Residential	401,643.12	284,643.15	1/6/2023
75	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	Quzhou	50,320.00	14.77%	Residential	132,255.00	29,241.13	1/2/2023
76	Fuyang Yingquan Project (阜陽穎泉項目)	Fuyang	96,434.00	73.24%	Residential	285,448.76	256,681.93	1/10/2022
77	Hangzhou Sandun North Project (杭州三墩北項目)	Hangzhou	27,208.00	47.75%	Residential	121,751.40	53,251.18	1/3/2023
78	Hangzhou Canal New City Project (杭州運河新城項目)	Hangzhou	30,626.00	60.00%	Residential	101,845.00	22,690.97	1/3/2023
79	Fuzhou Difeng River Project (福州帝封江項目)	Fuzhou	50,718.00	33.32%	Residential	143,216.17	104,281.75	1/11/2022
80	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	Fuzhou	123,228.00	80.00%	Residential	383,010.00	274,110.51	1/8/2022
81	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	Qingdao	76,170.00	14.37%	Residential	298,697.00	242,650.63	1/2/2023
82	Neijiang Wanwei Project (內江萬為項目)	Neijiang	65,314.00	37.50%	Residential	156,376.00	87,816.52	1/6/2022
83	Nanjing Qinglan (南京青瀾)	Nanjing	19,447.24	100.00%	Residential	63,615.24	27,445.13	1/11/2022
84	South Shaoxing Dongguang Lot (紹興城南東光地塊)	Shaoxing	152,834.00	12.18%	Residential	391,175.28	320,421.00	1/3/2023
85	Baoding Jinyue City (保定金悅城)	Baoding	36,806.00	38.91%	Residential	130,858.84	80,580.64	1/12/2021
86	Suzhou Wuzhong Mudu Project (蘇州吳中區木渚鎮項目)	Suzhou	56,566.40	42.11%	Residential	167,260.08	158,764.65	1/5/2023
87	Shanghai Century One Mile (上海世紀古美)	Shanghai	37,509.00	50.27%	Residential	122,140.16	122,140.16	1/10/2022
88	Shanghai Four Seasons (上海海月四季)	Shanghai	32,741.90	44.37%	Residential	81,996.97	38,012.30	1/12/2022
89	Chongqing Kaizhou Fengtai 107 mu Project (重慶開州豐太107畝項目)	Chongqing	57,275.27	46.03%	Residential	175,006.00	96,159.85	1/3/2023
90	Shanghai Parallel Impression (上海海納印象)	Shanghai	52,929.90	98.99%	Residential	175,969.12	141,908.79	1/5/2023
91	Lanzhou Park Academy (蘭州公園學府)	Lanzhou	88,946.00	32.73%	Residential	314,326.54	289,739.81	1/10/2022
92	Linquan Junyue Mansion (臨泉君樾府)	Fuyang	72,055.00	32.73%	Residential	205,106.45	178,632.92	1/12/2022
93	Fuzhou Yongtai Project (福州永泰項目)	Fuzhou	45,253.00	20.00%	Residential	126,402.00	104,589.35	1/1/2023
94	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	Lishui	51,255.00	9.44%	Residential	165,609.00	62,770.19	1/11/2022

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	
95	Mengcheng Junyue Mansion (蒙城君樾府)	Mengcheng	52,666.00	32.73%	Residential	132,204.00	92,125.45	1/12/2022
96	Fuzhou Heshang Project (福州鶴上項目)	Fuzhou	41,088.00	89.00%	Residential	125,294.80	121,969.07	1/1/2023
97	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	Quzhou	66,696.00	13.31%	Residential	165,475.00	40,371.41	1/3/2023
98	Tiantai Yangfan New Project (天臺楊帆新項目)	Taizhou	59,705.00	18.05%	Residential	145,126.03	75,748.30	1/11/2022
99	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	Putian	27,083.61	40.00%	Residential	124,395.65	111,857.32	1/11/2022
100	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	Dazhou	34,250.00	47.50%	Residential	86,540.21	50,517.04	1/10/2022
101	Wanwei Mianyang Jinjialin 81 mu (萬為綿陽金家林81畝)	Mianyang	53,800.00	48.86%	Residential	160,509.00	68,627.36	1/4/2023
102	Yunhe Commercial 43 Lot (運河商業43號地塊)	Hangzhou	8,477.00	65.70%	Office	42,247.07	33,917.58	1/1/2023
103	Yunhe Commercial 44 Lot (運河商業44號地塊)	Hangzhou	8,826.00	65.70%	Office	37,978.00	30,430.19	1/1/2023
104	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	Shanghai	24,377.60	34.00%	Residential	109,645.75	109,645.75	1/1/2024
105	Shaoxing Yangfan Xinchang Project (紹興楊帆新昌項目)	Shaoxing	52,621.80	20.38%	Residential	151,549.14	89,593.14	1/3/2023
106	Tianyu West Luzhou 46 mu (天譽濼州城西46畝)	Luzhou	30,707.00	45.50%	Residential	95,717.33	53,239.61	1/1/2023
107	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城-蘇派-4)	Zhengzhou	8,659.82	87.89%	Residential	25,979.46	25,979.46	1/8/2020
108	Taiyuan Shi Guang Zhi Cheng-3 (太原時光之城-3)	Taiyuan	93,262.21	76.59%	Residential	409,319.16	409,319.16	1/8/2022
109	Changshu Project (常熟項目)	Suzhou	37,132.00	51.63%	Residential	97,367.29	95,683.59	1/5/2023
110	Hangzhou Xingyao Beixi Project (杭州興耀北西項目)	Hangzhou	11,417.00	20.00%	Residential	40,862.21	40,083.04	1/2/2023
111	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	Chengdu	64,451.53	35.85%	Residential	203,897.46	167,101.66	1/3/2024
112	Chengdu Qingbaijiang Project (成都青白江項目)	Chengdu	32,309.61	42.50%	Residential	161,306.89	160,198.75	1/1/2024
113	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	Mianyang	69,709.00	50.00%	Residential	235,734.00	230,946.00	1/9/2023
114	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	Putian	24,035.00	19.60%	Residential	85,493.50	33,680.52	1/11/2022
115	South Shaoxing Shangyu Project (紹興上虞城南項目)	Shaoxing	49,686.30	23.09%	Residential	89,270.62	88,334.43	1/11/2023
116	Fuzhou Haiyue Jiangnan (福州海月江南)	Fuzhou	67,858.00	34.00%	Residential	131,430.20	129,665.58	1/6/2023
117	Yue Zhen Mansion (樾臻府)	Hangzhou	25,998.00	21.17%	Residential	85,201.60	74,788.75	1/6/2023
118	Zhengzhou City of Times - 2 (鄭州時光之城-2)	Zhengzhou	111,531.88	47.40%	Residential	307,668.52	300,191.98	1/5/2024
119	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	Zhengzhou	102,755.00	50.37%	Residential	508,336.25	388,421.10	1/8/2021
120	Suzhou Huangqiao Project (蘇州黃橋項目)	Suzhou	60,292.00	40.00%	Residential	180,666.00	177,985.20	1/10/2023
121	Yueqing Dongsha Dongshan South Village Project (樂清東廈東山南村項目)	Wenzhou	20,296.00	40.00%	Residential	89,936.05	87,382.93	1/7/2023
122	Wanwei Nanchong Jialing District 52 mu Lot (萬為南充嘉陵區52畝地塊)	Nanchong	34,897.00	47.50%	Residential	115,152.90	114,948.90	1/6/2023
123	Huzhou Xifengyang Project (湖州西鳳漾項目)	Huzhou	76,061.00	80.00%	Residential	180,359.21	164,624.36	1/7/2023
124	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	Huzhou	75,018.00	80.00%	Residential	175,378.11	170,603.48	1/4/2023
125	Lianyungang Urban Park East District (連雲港海納春江東區)	Lianyungang	39,085.00	93.53%	Residential	99,242.78	98,008.78	1/9/2023

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
126	Lianyungang Urban Park West District (連雲港海納春江西區)	50,894.00	95.74%	Residential	126,764.73	123,517.73	1/9/2023
127	Hangzhou Ningwei 38 Lot (杭州寧圍38號地塊)	33,558.00	50.00%	Residential	121,347.10	102,455.60	1/3/2024
128	Hangzhou Yawangxuan (杭州雅望軒)	52,503.00	48.28%	Residential	207,840.00	192,349.10	1/3/2024
129	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	53,082.00	80.00%	Residential	178,907.31	154,798.39	1/3/2024
130	Hangzhou Aoshi Mansion (杭州傲世邸)	21,750.00	90.00%	Residential	87,658.47	59,957.67	1/10/2023
131	Hangzhou Rulan Mansion (杭州如瀾邸)	29,184.00	100.00%	Residential	118,643.60	102,870.36	1/8/2024
132	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	45,439.00	20.00%	Residential	171,057.43	142,099.99	1/5/2024
133	Hangzhou Sibao Qibao 32 Lot (杭州四堡七堡32地塊)	71,966.00	20.00%	Residential	278,366.01	230,834.83	1/8/2024
134	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	30,894.00	34.00%	Residential	98,332.04	88,375.22	1/9/2023
135	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	24,072.00	20.86%	Commercial	96,449.21	96,144.48	1/2/2024
136	Fuzhou Lan Bay (福州瀾灣)	26,312.00	91.55%	Residential	57,319.00	56,720.60	1/12/2022
137	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	19,930.00	40.00%	Residential	64,964.90	63,848.57	1/11/2022
138	Fuzhou Residence (福州國公館)	143,367.00	100.00%	Residential	210,450.25	189,077.25	1/4/2023
139	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	77,018.38	30.00%	Residential	243,363.00	235,083.00	1/5/2023
140	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	57,704.96	30.00%	Residential	186,444.00	184,722.00	1/6/2023
141	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	42,663.00	100.00%	Residential	129,064.00	126,635.06	1/7/2023
142	Putian Ronshine Yuezhu (莆田融信悅著)	31,539.00	40.00%	Residential	70,393.00	69,554.00	1/1/2023
143	Chengdu Qingyang 23 mu (成都青羊23畝)	15,265.00	100.00%	Residential	52,185.33	45,204.75	1/11/2022
144	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	6,364.00	93.76%	Residential	28,826.74	24,191.71	1/10/2023
145	Xuzhou Xinyi Project (徐州新沂項目)	61,481.00	13.09%	Residential	137,395.00	135,807.00	1/10/2023
146	Suzhou Science City Project (蘇州科技城項目)	57,164.00	23.26%	Residential	161,428.00	159,351.98	1/12/2023
147	Tianjin Jinzhong Street East Lot (天津金鐘街東地塊)	123,538.00	50.00%	Residential	332,660.00	321,080.00	1/7/2024
148-282		10,759,393.88			28,073,529.39	205,349.99	
Total		21,631,242.22			60,303,793.51	20,027,263.13	
Attributable total		10,940,034.69			30,399,234.95	11,229,754.63	

Business Review and Outlook

OVERVIEW AND OUTLOOK

Market review

In the first half of 2021, China's achievements in epidemic prevention and control and economic and social development have been continuously expanded and consolidated. China's economy continued to steadily recover. The potential for domestic demand has been further released under the guidance of central government's policies. In the first half of the year, the gross domestic product ("GDP") increased by 12.7% year-on-year, the production demand continued to pick up, the employment rates and commodity prices gradually stabilized, and the overall forecasts for market is positive.

During the Period, the Chinese Central Government reiterated the policy of "housing is for living in, not for speculation", and strengthened financial supervision on local real estate. The Outline of the 14th Five-year Plan produced in the National Two Sessions in March emphasized the implementation of a long-term mechanism for the stable and healthy development of the real estate market, aiming to promote the balanced development of real estate and the real economy, to improve the housing market system and housing security system, which stabilized the healthy development of the domestic real estate market. According to the data from the National Bureau of Statistics, real estate sales data maintained steady and positive growth. In the first half of 2021, the sales of commercial housing was RMB9,293.1 billion, representing a year-on-year increase of 38.9%. The sales area of commercial housing was 886.35 million sq.m., representing a year-on-year increase of 27.7%.

Business review

As the domestic economy stabilizes and improves, the Group also keeps up with the pace of economic recovery, intensifies its sales and marketing efforts, and has achieved outstanding sales performance. In the first half of the year, the introduction of numerous new properties, such as Shanghai Four Seasons (上海海月四季), Shanghai Parallel Impression (上海海納印象), Hangzhou Yunlan Mansion (杭州雲瀾天第), Fuzhou China Trend Chaoyue (福州海納新潮潮悦) and Lianyungang Mansion (連雲港學院府), etc., has strongly supported sales performance. During the Period, the Group recorded a contract sales of RMB83.0 billion, representing a year-on-year increase of 37%; a contracted gross floor area of approximately 4.03 million sq.m. and an average contracted sales price of RMB20,564 per sq.m.. Among which, the contracted sales from Yangtze River Delta accounted for 71% in the first half of 2021. Meanwhile, a number of high-quality projects of the Group have been well received by the market. Among them, the Shanghai Parallel Impression (上海海納印象) Project received a very good reputation and was sold out upon initial launch this year. It ranked first in terms of sales units, sales area and sales value in Jiading District, Shanghai in the first half of the year. The Fuzhou China Trend Chaoyue (福州海納新潮潮悦) Project was well recognized by the market, ranking second in terms of sales units, and third in terms of sales value and sales area in Fuzhou in the first half of the year. Lianyungang Mansion (連雲港學院府) was sold out immediately in two launches, and the lottery numbers recorded more than 9 times coverage on the second launch, demonstrating that it was enthusiastically welcomed by the locals.

In respect of land reserves, the Group kept deeply cultivating its existing nine core urban agglomerations (the Yangtze River Delta, the West Coast of the Straits, Middle Reaches of the Yangtze River, Zhongyuan (Central Plain), Chengdu and Chongqing Region, the Greater Bay Area, the Beijing-Tianjin-Hebei Region, Shandong Peninsula and Northwest China), selectively strengthened the advantageous areas and optimized the investment of resources. The Group adhered to the development strategy of seeking progress while maintaining stability and 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 during the Period by accurately following the market cycle. The first half of the year has been rewarding for the Group as it obtained 39 new land projects, adding land reserves of approximately 5.74 million sq.m. at a consideration of approximately RMB46.9 billion and an equity consideration of approximately RMB21.7 billion. As of 30 June 2021, the Group has a total of 282 projects nationwide with total land reserves of approximately 31.62 million sq.m.. Among which, the Yangtze River Delta region accounted for 46%. At the same time, the Group has established a professional and efficient investment team and marketing team, created extensive brand influence and high-level cost control capabilities through long-term deep cultivation, highlighting its advantages in respect of project investment, project development and sales.

Business Review and Outlook

This year, the Group is committed to ensuring the balance of development and financial leverage, optimizing its debt structure, reducing its financing costs and continuously improving its financing capabilities. Since the introduction of the “three red lines” policy by the Government last year, the Group has attached great importance and regarded compliance with such policy as a key performance indicator. By the end of 2020, all three red lines were met, demonstrating a healthy debt management level. As of 30 June 2021, the balance of interest-bearing liabilities of the Group was RMB72 billion, the net gearing ratio was 75%, the cash to short-term borrowings ratio was 1.09, and the asset-to-liability ratio after excluding contracted liability was 69.7%, with three red lines maintained up to standard. Amid a sluggish domestic and overseas capital market environment this year, the Group stuck to proactive debt management, seized the capital market window, and successfully issued a number of credit bonds during the Period. In January of this year, the Group issued US\$300 million senior notes due in 2025, and then issued RMB1 billion corporate bonds in both February and July to supply sufficient liquidity. The Group continues to optimize domestic and overseas financing channels, maintains a good cooperative relationship with banks and develops smooth financing channels for development loans and mortgage loans, which enhanced the Group’s ability to acquire targeted projects and improve profitability.

Through the comprehensive improvement in respect of operational capabilities, product capabilities and service capabilities, the Group won multiple awards in the first half of this year. In March of this year, the Group was awarded the “Top 21 China Real Estate Development Enterprises of 2021 in Comprehensive Capability” and “No. 3 China Real Estate Development Enterprises of 2021 in Comprehensive Development” of the 2021 China Real Estate Top 500 Evaluation Results. In April and May, the Group won the “2021 Best Standing Brand Award” at the third China Brand Building Summit and ranked fifth of the “2020 Best 20 of China Real Estate Developers Product Capability” issued by Kinpan.com. In addition, the Group’s comprehensive product line design was able to meet the needs of different customer groups. During the Period, a total of 10 projects including Taiyuan City of Times (太原時光之城), Chongqing Hai Yue Yu Zhou (重慶海月渝州), Wenzhou Hai Yue Qing Feng (溫州海月清風), Hangzhou Sky Mansion (杭州創世紀), Fuzhou China Trend Chaoyue (福州海納新潮潮悅), Shaoxing Xingwang (紹興興望) and Jiujiang Jiutang (九江九棠) were shortlisted for the CREDAWARD Real Estate Design Award. In particular, Wenzhou Hai Yue Qing Feng (溫州海月清風) won the “2020 GLOBAL EXCELLENCE AWARDS FINALIST IIDA” award. Its comprehensive strength has won the attention of and the recognition from the industry and the market.

The Group attaches great importance to the sustainable development of enterprises and cities when continuously improving its capability. The Group strives to keep fulfilling its corporate responsibilities in three major areas of environment, society and governance, enhances its sustainable development capabilities in multiple dimensions, including green building, urban renewal, public welfare activities and employee care. During the Period, the Group won the “Best ESG Award” in the 5th Golden Hong Kong Stocks. Rongxin Xuhui Century One Mile Project (融信旭輝世紀古美項目) was also awarded the first ultra-low energy consumption residential project in Shanghai.

Prospects

In the first half of 2021, the sales data of real estate market maintained steady and positive growth. The Group believes that the real estate market will continue to grow steadily and healthily in the second half of the year under the leadership of the Government’s Outline of the 14th Five-year Plan. In the future, the Group will continue to deeply cultivate Yangtze River Delta and other regions, strengthen its advantages in in-depth layout, and effectively respond to changes in the market environment.

By adhering to its vision of “becoming a quality property developer leader and a service provider for an ideal life”, the Group will be guided by strong operating capability, driven by high-quality projects and service, aiming to empower the Company’s sustainable development, and to create greater value for the shareholders of the Company.

Management Discussion and Analysis

SUMMARY OF OPERATING RESULTS

	For the six months ended 30 June		Change in percentage
	2021	2020	
Contracted sales			
Contracted sales amount (RMB'000) ⁽¹⁾	82,966,121	60,357,835	37.46%
Contracted gross floor area (sq.m.)	4,034,465	2,573,153	56.79%
Average unit price of contracted sales (RMB/sq.m.)	20,564	23,457	-12.33%
Property delivered			
Revenue from delivery of properties (RMB'000)	20,858,476	20,571,784	1.39%
Delivered gross floor area (sq.m.)	1,593,536	1,271,770	25.30%
Recognised average selling price of properties delivered (RMB/sq.m.)	13,089	16,176	-19.08%
Revenue (RMB'000)	21,739,463	21,066,011	3.20%
Cost of Sales (RMB'000)	(19,564,058)	(17,925,601)	9.14%
Gross profit (RMB'000)	2,175,405	3,140,410	-30.73%
Other income and other gain – net (RMB'000)	417,681	429,280	-2.70%
Profit before income tax (RMB'000)	1,628,757	2,480,674	-34.34%
Profit for the period (RMB'000)	1,040,403	1,645,496	-36.77%
– attributable to owners of the Company (RMB'000)	684,511	908,431	-24.65%
– attributable to non-controlling interests (RMB'000)	355,892	737,065	-51.71%
Gross profit margin ⁽²⁾	10.01%	14.9%	-32.82%
Net profit margin ⁽³⁾	4.79%	7.8%	-38.59%
Total assets (RMB'000)	246,609,711	220,740,541	11.72%
Total liabilities (RMB'000)	193,920,557	179,618,229	7.96%
Total equity (RMB'000)	52,689,154	41,122,312	28.13%
Capital and reserve attributable to owners of the Company (RMB'000)	17,694,060	16,279,451	8.69%
Current ratio ⁽⁴⁾	1.50 times	1.55 times	1.32%
Gearing ratio ⁽⁵⁾	0.75	0.91	-17.58%

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 gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net profit margin is based on net profit divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) 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 2021, the Group and its joint ventures and associates achieved contracted sales of RMB82,966.12 million, representing a growth of approximately 37.46% compared with RMB60,357.84 million for the six months ended 30 June 2020. This increase was mainly attributable to the increase in the total gross floor area of the Group's contracted sales by approximately 56.79% from 2,573,153 sq.m. for the six months ended 30 June 2020 to 4,034,465 sq.m. for the six months ended 30 June 2021.

The following table sets forth details of the contracted sales of the Group (including its joint ventures and associates) for the six months ended 30 June 2021:

	Amount	Percentage	Total gross floor area ("GFA")	Percentage	Average Selling price
	RMB million	%	sq.m.	%	RMB/sq.m.
Hangzhou	18,784	22.64	609,522	15.11	30,817
Shanghai	9,683	11.67	131,293	3.25	73,750
Fuzhou	7,491	9.03	361,593	8.96	20,717
Nanjing	5,492	6.62	187,513	4.65	29,290
Suzhou	4,868	5.87	226,539	5.62	21,490
Chongqing	3,412	4.11	262,644	6.51	12,991
Shaoxing	3,360	4.05	202,782	5.03	16,572
Quzhou	2,627	3.17	168,590	4.18	15,582
Wenzhou	2,525	3.04	137,589	3.41	18,351
Others	24,724	29.80	1,746,400	43.28	14,157
Total	82,966	100.00	4,034,465	100.00	20,564

Management Discussion and Analysis

Projects completed

For the six months ended 30 June 2021, the Group (including its joint ventures and associates) completed a total of 21 projects or phases of projects, with total GFA of 3,428,101 sq.m. (1,592,360 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Projects under construction

As at 30 June 2021, the Group (including its joint ventures and associates) had a total of 120 projects or phases of projects under construction, with total planned GFA of 22,214,040 sq.m. (10,657,903 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 39 newly acquired land parcels with a total GFA of 5,741,967 sq.m. (2,899,565 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 RMB11,132 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 2021:

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.
Suzhou	Changshu Project (常熟項目)	21/1/2021	37,132	97,367	50,271	477	246	6,948
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	21/1/2021	11,417	40,862	8,172	766	153	26,832
Chengdu	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	4/1/2021	64,452	203,897	73,101	942	338	6,199
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	6/1/2021	32,310	161,307	68,555	231	98	2,048
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	16/2/2021	69,709	235,734	117,867	549	274	3,148
Putian	Xianyou Construction and Development Cooperation Project (仙游建發合作項目)	1/2/2021	24,035	85,494	16,757	221	43	2,881

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.
Shaoxing	South Shaoxing Shangyu Project (紹興上虞城南項目)	21/2/2021	49,686	89,271	20,615	873	202	16,726
Fuzhou	Fuzhou Haiyue Jiangnan (福州海月江南)	1/2/2021	67,858	131,430	44,686	731	249	7,694
Hangzhou	Yue Zhen Mansion (樾臻府)	2/2/2021	25,998	85,202	18,033	263	56	4,593
Zhengzhou	Zhengzhou City of Times - 2 (鄭州時光之城-2)	3/3/2021	111,532	307,669	145,844	919	435	2,501
Zhengzhou	Zhengzhou Olympic Century - 3 (鄭州奧體世紀-3)	3/6/2021	61,392	303,141	152,692	770	388	3,485
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	16/3/2021	60,292	180,666	72,266	2,009	804	15,144
Wenzhou	Yueqing Dongsha Dongshan South Village Project (樂清東廈東山南村項目)	30/3/2021	20,296	89,936	35,974	414	166	5,828
Nanchong	Wanwei Nanchong Jialing District 52 mu Lot (萬為南充嘉陵區52畝地塊)	20/4/2021	34,897	115,153	54,698	249	118	2,852
Huzhou	Huzhou Xifengyang Project (湖州西鳳漾項目)	6/4/2021	76,061	180,359	144,287	717	574	6,024
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	8/4/2021	75,018	175,378	140,302	795	636	6,729
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	9/4/2021	39,085	99,243	92,822	623	583	8,856
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	9/4/2021	50,894	126,765	121,365	817	782	8,913
Hangzhou	Hangzhou Ningwei 38 Lot (杭州寧圍38號地塊)	7/5/2021	33,558	121,347	60,674	1,846	923	22,006
Hangzhou	Hangzhou Yawangxuan (杭州雅望軒)	6/5/2021	52,503	207,840	100,335	2,560	1,236	17,413
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	7/5/2021	53,082	178,907	143,126	2,481	1,985	19,474

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.
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	7/5/2021	21,750	87,658	78,893	1,482	1,334	27,253
Hangzhou	Hangzhou Rulan Mansion (杭州如瀾邸)	6/5/2021	29,184	118,644	118,644	1,561	1,561	18,441
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	6/5/2021	45,439	171,057	34,211	4,838	968	44,364
Hangzhou	Hangzhou Sibao Qibao 32 Lot (杭州四堡七堡32地塊)	6/5/2021	71,966	278,366	55,673	8,085	1,617	44,938
Hangzhou	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	7/5/2021	30,894	98,332	33,433	901	306	13,890
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	12/5/2021	24,072	96,449	20,118	768	160	12,278
Fuzhou	Fuzhou Lan Bay (福州瀾灣)	11/5/2021	26,312	57,319	52,476	377	345	8,955
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	11/5/2021	19,930	64,965	25,986	339	136	7,087
Fuzhou	Fuzhou Residence (福州國公館)	11/5/2021	143,367	210,450	210,450	1,420	1,420	9,921
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	27/4/2021	77,018	243,363	73,009	1,218	365	7,156
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	27/4/2021	57,705	186,444	55,933	929	279	7,095
Wenzhou	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	25/5/2021	42,663	129,064	129,064	670	670	7,141
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	2/5/2021	31,539	70,393	28,157	253	101	5,010
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	7/6/2021	15,265	52,185	52,185	417	417	11,369
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	7/6/2021	6,364	28,827	27,028	376	352	19,686
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	25/5/2021	61,481	137,395	17,985	372	49	3,360

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.
Suzhou	Suzhou Science City Project (蘇州科技城項目)	3/6/2021	57,164	161,428	37,548	1,789	416	15,647
Tianjin	Tianjin Jinzhong Street East Lot (天津金鐘街東地塊)	14/5/2021	123,538	332,660	166,330	1,888	944	7,641
Total			1,936,858	5,741,967	2,899,565	46,936	21,729	11,132

As at 30 June 2021, the total GFA of the Group's land reserve (including its joint ventures and associates) was 31.6 million sq.m., among which, 3.3 million sq.m. were completed properties held for sale, 22.2 million sq.m. were under construction and 6.1 million sq.m. were held for future development.

As at 30 June 2021, the cost per sq.m. of the Group's land reserve (including its joint ventures and associates) was RMB8,372. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its future development.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 30 June 2021:

Region	Project name	Total land value of reserve RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Nanjing	Nanjing Century East (南京世紀東方)	630	4	24,957
Fuzhou	Fuzhou China Legend (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	1,405	33	6,065
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	690	65	1,610
Fuzhou	Fuzhou Nice Villa (福州有墅)	16	5	486
Xiamen	Xiamen Boyue Bay (廈門鉑悅灣)	2,107	15	23,207
Shanghai	Shanghai Platinum (上海鉑爵)	150	2	15,409
Shanghai	Shanghai Zhongxing Road (上海中興路)	5,505	6	100,091
Nanjing	Nanjing Boan Center (南京鉑岸中心)	473	31	2,515
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	622	6	13,576

Management Discussion and Analysis

Region	Project name	Total land value of reserve RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Zhangzhou	Zhangzhou No. 1 (漳州壹號府)	1,488	18	10,897
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	617	6	12,842
Chengdu	Chengdu Ronshine Residence (成都融信公館)	176	1	16,915
Tianjin	Tianjin West Coast (天津西海岸)	977	15	8,238
Tianjin	Tianjin Jinnan (天津津南府)	1,000	10	12,959
Putian	Putian Ronshine (莆田融信府)	820	11	10,032
Guangzhou	Guangzhou Tianyue (廣州天樾府)	653	4	14,999
Xiamen	Xiamen Century (廈門世紀)	686	4	31,520
Chongqing	Chongqing Lan Bay (重慶瀾灣)	619	14	6,189
Hangzhou	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	194	3	5,101
Shaoxing	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	540	28	2,577
Hangzhou	Hangzhou Century (杭州世紀)	1,651	8	30,816
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	163	22	912
Nanjing	Nanjing Wanke Du Hui Tian Di (南京萬科都荟天地)	305	4	12,130
Nanjing	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	148	2	9,464
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	3,853	14	40,542
Hangzhou	Hangzhou Wanke Zhong Cheng Hui (杭州萬科中城匯)	558	3	24,704
Fuzhou	Fuzhou Wanke Zhen Lu Yuan (福州萬科臻麓園)	138	3	7,340
Zhengzhou	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城一蘇派一1)	171	31	470
Fuzhou	Fuzhou Lan Sky (福州瀾天)	323	2	21,973
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	277	5	4,324
Hangzhou	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	308	3	16,005
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	15	3	714
Fuyang	Xingfu Li • East County (幸福里•東郡)	63	4	2,235
Zhengzhou	Hailiang Time ONE (海亮時代ONE)	182	8	3,284
Xi'an	Hai Liang • De Wen Jun (海亮•德文郡)	148	6	2,546
Xi'an	Hailiang • Tangning Mansion (海亮•唐寧府)	32	2	1,960

Management Discussion and Analysis

Region	Project name	Total land value of reserve	Total GFA of reserve	Average cost per sq.m.
		RMB million	10,000 sq.m.	RMB/sq.m.
Xi'an	Chang'an XiYue (長安熙悅)	7	2	446
Lanzhou	Lanzhou Xi'an Hua Fu (熙岸華府)	57	5	1,293
Zhenjiang	Jurong Tianyuefu Project (句容天悅府)	82	2	4,837
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望 NEO1)	355	2	31,551
Jiaxing	Haining Lanting (海寧瀾庭)	198	4	7,200
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季朧玥華府)	181	4	5,599
Hangzhou	Hangzhou Xianghu Yuezhong (杭州湘湖悅章)	3,245	27	17,134
Huzhou	Anji Yuejiang (安吉悅江府)	52	2	2,986
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城－中喬－1)	213	38	722
Chengdu	Chengdu Lan Sky (成都瀾天)	60	2	4,200
Mengcheng	Mengcheng Age Xingfu Li (蒙城時代幸福里)	15	1	2,102
Zhengzhou	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城－蘇派－2)	107	29	550
Qingdao	The Ocean Costal (青島海月星灣)	302	14	3,504
Fuzhou	Fuzhou Park Left Bank Project (福州公園左岸)	124	1	21,731
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	96	3	3,939
Fuyang	Fuyang Shangjun (阜陽上郡)	8	1	1,721
Shanghai	Shanghai Yangpu Lot (上海楊浦平涼地塊)	155	1	25,397
Fuzhou	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	22	0	7,687
Xi'an	Hai Liang • Yuchen (海亮•御宸)	110	3	4,821
Zhengzhou	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城－德藍－1)	230	58	520
Zhengzhou	Zhengzhou Olympic Century-1 (鄭州奧體世紀－1)	168	10	2,264
Suzhou	Suzhou Haiyue Pingjiang (蘇州海月平江)	623	4	19,235
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	320	2	21,211
Wenzhou	Wenzhou Yueqing Boyuewan (溫州樂清柏悅灣)	129	2	8,216
Fuzhou	Changle Lanshan (長樂瀾山)	349	9	5,005
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	481	7	11,149
Jiangmen	Jiangmen Guoyue House (江門國樾府)	137	3	5,847
Hangzhou	Hangzhou Tianlang House (杭州天琅府)	624	5	19,433
Huzhou	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	362	9	6,095

Management Discussion and Analysis

Region	Project name	Total land value of reserve RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Wenzhou	Wenzhou Jinlin House (溫州金麟府)	48	1	8,500
Huzhou	Huzhou Rongjing Garden (湖州融璟園)	85	3	5,457
Jinhua	Tianyang River Mansion (天陽雲棲江境)	259	4	10,562
Tianjin	Tianjin Lanyue 3 (天津瀾悅3號)	331	4	13,001
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	282	3	11,742
Changzhou	Changzhou Lanyue (常州瀾悅)	371	5	9,313
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	59	7	1,127
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	263	6	6,128
Fuzhou	Pingtian Lanchen (平潭瀾宸)	762	18	5,549
Jiujiang	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	248	6	5,167
Fuyang	Fuyang Linqun Project (阜陽臨泉項目)	18	1	2,115
Wenzhou	Wenzhou Hai Yue Qing Feng (溫州海月清風)	414	8	7,491
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	5	5,546
Shaoxing	Shengzhou Chuang Shi Ji Pin Ge (嵯州創世紀品閣)	124	5	3,492
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	862	27	3,167
Jiangmen	Jiangmen Mansion (江門學院府)	312	9	4,800
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	282	3	13,004
Suzhou	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	288	5	6,843
Chengdu	Shui Nian River (水碾河)	122	1	13,500
Chengdu	Chengdu Ruilian (成都瑞聯)	174	2	14,300
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	367	6	9,600
Chongqing	Tan Zi Kou (灘子口)	82	1	9,255
Nantong	Nantong Lan Chen (南通瀾宸)	852	15	8,537
Fuzhou	Fuzhou CBD49 Lot (福州 CBD49地塊)	422	4	14,497
Suzhou	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	1,517	14	15,299
Shaoxing	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	484	9	7,943
Wenzhou	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	260	4	8,510
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	75	5	2,386
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	175	2	14,200
Nanjing	Nanjing 2019G87 (南京2019G87)	755	6	16,628
Nanjing	Nanjing 2019G94 (南京2019G94)	1,208	10	19,019

Management Discussion and Analysis

Region	Project name	Total land value of reserve	Total GFA of reserve	Average cost per sq.m.
		RMB million	10,000 sq.m.	RMB/sq.m.
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	168	3	5,582
Hangzhou	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	446	3	14,578
Zhengzhou	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	596	26	3,134
Taiyuan	Taiyuan City of Times-1 (太原時光之城-1)	462	42	1,355
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	16	2	790
Zhengzhou	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	15	3	751
Zhengzhou	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	154	31	717
Hangzhou	Hangzhou Zhanwang (杭州展望)	1,512	9	25,116
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	178	5	5,383
Chongqing	Chongqing Kaizhou Project (重慶開州項目)	431	16	3,901
Wenzhou	Wenzhou Rongwang (溫州榮望)	277	5	7,203
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	427	18	2,961
Lianyungang	Lianyungang Mansion (連雲港學院府)	437	15	3,999
Nantong	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	869	9	14,197
Taiyuan	Taiyuan City of Times-2 (太原時光之城-2)	366	37	1,222
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	1,690	13	17,388
Quzhou	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	116	2	8,634
Fuyang	Fuyang Yingquan Project (阜陽潁泉項目)	626	21	3,854
Jiaxing	Tongxiang Project (桐鄉項目)	217	5	6,163
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	648	6	16,088
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	1,082	6	23,558
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	295	5	7,932
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	3,306	31	13,521
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	105	4	3,578

Management Discussion and Analysis

Region	Project name	Total land value of reserve RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Neijiang	Neijiang Wanwei Project (內江萬為項目)	86	6	1,942
Hangzhou	Hangzhou Xingchuang Railway North 07 Project (杭州星創鐵路北07項目)	311	2	22,695
Nanjing	Nanjing Qinglan (南京青瀾)	780	6	17,439
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	5	12,263
Baoding	Baoding Jinyue City (保定金悅城)	131	5	3,979
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	881	7	16,811
Shanghai	Shanghai Century One Mile (上海世紀古美)	2,274	6	54,814
Shanghai	Shanghai Four Seasons (上海海月四季)	525	4	22,578
Chongqing	Chongqing Kaizhou Fengtai 107 mu Project (重慶開州豐太107畝項目)	166	8	2,855
Shanghai	Shanghai Parallel Impression (上海海納印象)	4,822	17	38,763
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	76	10	897
Fuyang	Linqun Junyue Mansion (臨泉君樾府)	134	7	2,592
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	55	3	2,811
Lishui	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	153	2	13,169
Mengcheng	Mengcheng Junyue Mansion (蒙城君樾府)	57	4	1,662
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	433	11	5,121
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	132	2	8,281
Taizhou	Tiantai Yangfan New Project (天台楊帆新項目)	164	3	8,926
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	148	5	3,903
Dazhou	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	107	4	3,650
Mianyang	Wanwei Mianyang Jinjialin 81 mu (萬為綿陽金家林81畝)	189	8	3,266
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	274	2	14,075
Hangzhou	Yunhe Commercial 44 Lot (運河商業44號地塊)	224	2	12,859
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	1,772	4	72,000
Shaoxing	Shaoxing Yangfan Xinchang Project (紹興楊帆新昌項目)	124	3	5,780

Management Discussion and Analysis

Region	Project name	Total land value of reserve	Total GFA of reserve	Average cost per sq.m.
		RMB million	10,000 sq.m.	RMB/sq.m.
Luzhou	Tianyu West Luzhou 46 mu (天譽瀘州城西46畝)	103	4	3,343
Zhengzhou	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城－蘇派－4)	14	2	716
Zhengzhou	Zhengzhou Jiangwancheng-Delan-3 (鄭州江灣城－德藍－3)	8	1	751
Taiyuan	Taiyuan City of Times-3 (太原時光之城－3)	355	31	1,294
Suzhou	Changshu Project (常熟項目)	246	5	6,948
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	153	1	26,832
Chengdu	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	338	7	6,199
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	98	7	2,048
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	274	12	3,148
Putian	Xianyou Construction and Development Cooperation Project (仙游建發合作項目)	43	2	2,881
Shaoxing	South Shaoxing Shangyu Project (紹興上虞城南項目)	202	2	16,726
Fuzhou	Fuzhou Haiyue Jiangnan (福州海月江南)	249	4	7,694
Hangzhou	Yue Zhen Mansion (樾臻府)	56	2	4,593
Zhengzhou	Zhengzhou City of Times - 2 (鄭州時光之城－2)	435	14	2,501
Zhengzhou	Zhengzhou Olympic Century - 3 (鄭州奧體世紀－3)	388	15	3,485
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	804	7	15,144
Wenzhou	Yueqing Dongsha Dongshan South Village Project (樂清東廈東山南村項目)	166	3	5,828
Nanchong	Wanwei Nanchong Jialing District 52 mu Lot (萬為南充嘉陵區52畝地塊)	118	5	2,852
Huzhou	Huzhou Xifengyang Project (湖州西鳳漾項目)	574	13	6,024
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	636	14	6,729
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	583	9	8,856
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	782	12	8,913
Hangzhou	Hangzhou Ningwei 38 Lot (杭州寧圍38號地塊)	923	5	22,006

Management Discussion and Analysis

Region	Project name	Total land value of reserve <i>RMB million</i>	Total GFA of reserve <i>10,000 sq.m.</i>	Average cost per sq.m. <i>RMB/sq.m.</i>
Hangzhou	Hangzhou Yawangxuan (杭州雅望軒)	1,236	9	17,413
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	1,985	12	19,474
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	1,334	5	27,253
Hangzhou	Hangzhou Rulan Mansion (杭州如瀾邸)	1,561	10	18,441
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	968	3	44,364
Hangzhou	Hangzhou Sibao Qibao 32 Lot (杭州四堡七堡32地塊)	1,617	5	44,938
Hangzhou	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	306	3	13,890
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	160	2	12,278
Fuzhou	Fuzhou Lan Bay (福州瀾灣)	345	5	8,955
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	136	3	7,087
Fuzhou	Fuzhou Residence (福州國公館)	1,420	19	9,921
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	365	7	7,156
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	279	6	7,095
Wenzhou	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	670	13	7,141
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	101	3	5,010
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	417	5	11,369
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	352	2	19,686
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	49	2	3,360
Suzhou	Suzhou Science City Project (蘇州科技城項目)	416	4	15,647
Tianjin	Tianjin Jinzhong Street East Lot (天津金鐘街東地塊)	944	16	7,641
Total		99,404	1,614	8,372

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 2021.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2021, the Group derived its revenue from (i) sales of properties in the People's Republic of China (the "PRC"); (ii) construction services provided to 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
	2021	2020	
	RMB'000	RMB'000	
Revenue			
Sales of properties	20,858,476	20,571,784	1.39%
Construction services	446,445	263,046	69.72%
Rental income and others	434,542	231,181	87.97%
Total	21,739,463	21,066,011	3.20%

The revenue of the Group increased by approximately 3.20% from RMB21,066.01 million for the six months ended 30 June 2020 to RMB21,739.46 million for the six months ended 30 June 2021. This increase was mainly attributable to:

- (i) the increase in the total GFA of properties delivered by the Group by 25.30% from 1,271,770 sq.m. for the six months ended 30 June 2020 to 1,593,536 sq.m. for the six months ended 30 June 2021;
- (ii) the increase in revenue from construction services by 69.72% from RMB263.05 million for the six months ended 30 June 2020 to RMB446.45 million for the six months ended 30 June 2021;
- (iii) the rental income increased by 22.45% from RMB61.62 million for the six months ended 30 June 2020 to RMB75.46 million for the six months ended 30 June 2021. The others comprise mainly of revenue in consulting services, sales commissions and hotel operations. During the six months ended 30 June 2021, revenue from consulting services amounted to RMB106.67 million, the sales commission was RMB187.61 million, and revenue from hotel operations of the Group was RMB62.81 million.

Management Discussion and Analysis

Revenue generated from the sales of properties amounted to RMB20,858.48 million for the six months ended 30 June 2021. 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 2021:

	For the six months ended 30 June					
	2021			2020		
	Revenue	GFA delivered by the Group	Average selling price	Revenue	GFA delivered by the Group	Average selling price
	<i>RMB million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	<i>RMB million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>
Hangzhou	4,684	223,022	21,002	4,569	193,729	23,584
Shaoxing	2,459	301,549	8,155	1,097	128,314	8,549
Fuzhou	2,165	101,634	21,302	953	73,703	12,930
Suzhou	1,439	66,043	21,789	1,694	72,920	23,231
Jiaxing	1,341	130,795	10,253	1,115	110,990	10,046
Others	8,770	770,493	11,382	11,144	692,114	16,101
Total	20,858	1,593,536	13,089	20,572	1,271,770	16,176

Cost of sales

The Group's cost of sales increased by 9.14% from RMB17,925.60 million for the six months ended 30 June 2020 to RMB19,564.06 million for the six months ended 30 June 2021. This increase mainly refers to the costs incurred directly from its property development activities, including cost of construction, land use rights, interest capitalized and tax surcharge.

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 30.73% from RMB3,140.41 million for the six months ended 30 June 2020 to RMB2,175.41 million for the six months ended 30 June 2021.

The Group's gross profit margin decreased from 14.91% for the six months ended 30 June 2020 to 10.01% for the six months ended 30 June 2021, primarily because the Group delivered different portfolios of properties in the first half of 2021 compared with the first half of 2020.

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 172.56% from RMB94.18 million for the six months ended 30 June 2020 to RMB256.71 million for the six months ended 30 June 2021.

Management Discussion and Analysis

Other gains

The Group's other gains primarily include (i) gains from financial assets at fair value through profit or loss; (ii) gains from bond repurchase; and (iii) gain from disposal of property, plant and equipment. The Group's other gains decreased by 51.96% from RMB335.10 million for the six months ended 30 June 2020 to RMB160.97 million for the six months ended 30 June 2021.

Selling and marketing costs

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

The Group's selling and marketing costs increased by 30.06% from RMB492.51 million for the six months ended 30 June 2020 to RMB640.54 million for the six months ended 30 June 2021, primarily due to the increased advertising and commission costs.

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 8.48% from RMB690.22 million for the six months ended 30 June 2020 to RMB631.68 million for the six months ended 30 June 2021, primarily due to the decreased staff costs.

Fair value losses on investment properties

The Group recorded a fair value losses of RMB97.50 million for the six months ended 30 June 2020 and a fair value losses of RMB37.76 million for the six months ended 30 June 2021 which was due to a slight decrease of market price.

Finance income – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded a net finance income of RMB53.41 million for the six months ended 30 June 2020 and a net finance income of RMB276.09 million for the six months ended 30 June 2021. This fluctuation was primarily due to the increase in net foreign exchange gains of RMB351.83 million and decrease of interest income from bank deposits of RMB171.34 million.

Share of profit or losses of investments accounted for using the equity method – net

The Group's net share of profit or losses of investments accounted for using the equity method decreased by 49.53% from RMB137.80 million for the six months ended 30 June 2020 to RMB69.55 million for the six months ended 30 June 2021, primarily due to less delivery of properties from joint ventures during the six months ended 30 June 2021.

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 34.34% from RMB2,480.67 million for the six months ended 30 June 2020 to RMB1,628.76 million for the six months ended 30 June 2021.

Income tax expenses

The Group's income tax expenses comprise provisions made for corporate income tax ("**CIT**") (including deferred income tax) and land appreciation tax ("**LAT**") in the PRC.

The Group's income tax expenses decreased by 29.55% from RMB835.18 million for the six months ended 30 June 2020 to RMB588.35 million for the six months ended 30 June 2021. Specifically, CIT (including deferred income tax) decreased by 36.30% from RMB817.00 million for the six months ended 30 June 2020 to RMB520.43 million for the six months ended 30 June 2021, and LAT increased by 273.62% from RMB18.18 million for the six months ended 30 June 2020 to RMB67.92 million for the six months ended 30 June 2021.

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 24.65% from RMB908.43 million for the six months ended 30 June 2020 to RMB684.51 million for the six months ended 30 June 2021.

Profit for the Period attributable to non-controlling interests

Profit for the Period attributable to non-controlling interests decreased by 51.71% from a profit of RMB737.07 million for the six months ended 30 June 2020 to a profit of RMB355.89 million for the six months ended 30 June 2021. The decrease was primarily due to the decrease in recognition of revenue from sales of properties during the six months ended 30 June 2021 in the respective projects, which were jointly developed with non-controlling parties.

Management Discussion and Analysis

FINANCING ACTIVITIES

Issuance of US\$300,000,000 7.1% senior notes due 2025

On 25 January 2021, the Company issued senior notes in the aggregated principal amount of US\$300,000,000 due in 2025 (“**2025 Notes**”) on Singapore Exchange Securities Trading Limited (“**SGX-ST**”), with an interest rate of 7.1% per annum payable semi-annually in arrears on 25 January and 25 July of each year, commencing from 25 July 2021. The maturity date of the 2025 Notes is 25 January 2025. At any time and from time to time prior to 25 January 2025, the Company may at its option redeem the 2025 Notes, at a pre-determined redemption price.

For more details, please refer to the announcements of the Company dated 19 January 2021 and 26 January 2021 and the relevant offering memorandum.

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 offering memorandum.

Issuance of US\$200,000,000 5.50% senior notes due 2022

On 27 January 2021, the Company issued senior notes due in February 2022 with an aggregate principal amount of US\$200,000,000, bearing interest at a rate of 5.50% per annum payable in arrears on 1 August 2021 and 1 February 2022 (the “**2022 Notes**”). The 2022 Notes will mature on 1 February 2022. At any time and from time to time prior to 1 February 2022, the Company may at its option redeem up to 35% of the 2022 Notes, at a redemption price of 105.50% of the principal amount of the 2022 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date in each case, using the net cash proceeds from sales of certain kinds of capital stock of the Company. In addition, the Company may redeem the 2022 Notes, in whole but not in part, at any time prior to 1 February 2022, at a price equal to 100% of the principal amount of the 2022 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

As at the date of this report, the Group had utilised most of the net proceeds from the issuance of the 2022 Notes to refinance certain of the Group’s existing indebtedness.

Issuance of 2021 Domestic Corporate Bonds

On 2 February 2021, the Company announced that Rongxin (Fujian) Investment Company Limited (“**Rongxin Investment**”), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, had lodged an application to the Shanghai Stock Exchange in the PRC to undertake public offering(s) of domestic corporate bonds to professional investors with an aggregate principal amount of not more than RMB9.66 billion listed on the Shanghai Stock Exchange (the “**2021 Domestic Corporate Bonds**”). On 2 February 2021, the Shanghai Stock Exchange approved the application by Rongxin Investment for the proposed public issuance of the first tranche of the 2021 Domestic Corporate Bonds with a face value of not exceeding RMB1.318 billion (the “**First Tranche of the 2021 Domestic Corporate Bonds**”). On 3 February 2021, Rongxin Investment and the lead underwriter conducted a book-building exercise with professional investors for the First Tranche of the 2021 Domestic Corporate Bonds. The First Tranche of the 2021 Domestic Corporate Bonds have a term of five years, with an option for Rongxin Investment to adjust the coupon rate and a put option for investors at the end of the second and fourth year. The First Tranche of the 2021 Domestic Corporate Bonds has been listed on the Shanghai Stock Exchange.

Management Discussion and Analysis

On 30 June 2021, the Company announced that Rongxin Investment proposed to publicly issue the second tranche of the 2021 Domestic Corporate Bonds with a face value of not exceeding RMB2.141 billion (the “**Second Tranche of the 2021 Domestic Corporate Bonds**”) to professional investors. The Second Tranche of the 2021 Domestic Corporate Bonds to be issued will be listed on the Shanghai Stock Exchange.

For more details, please refer to the announcements of the Company dated 2 February 2021 and 30 June 2021.

Provision of guarantee for joint ventures

Provision of Guarantee for Chengdu Longteng Jinrui

On 26 February 2021, Rongxin Investment, as a guarantor, entered into a guarantee agreement in favour of the creditor, China Zheshang Bank Co., Ltd. Chengdu Branch (“**Zheshang Bank**”), pursuant to which Rongxin Investment has agreed to provide guarantee for the due performance of the repayment obligations of 成都隆騰錦瑞置業有限公司 (Chengdu Longteng Jinrui Real Estate Co., Ltd.*) (the “**Chengdu Longteng Jinrui**”), a company indirectly owned as to 40% by the Company, to Zheshang Bank under the loan agreement entered into by the Chengdu Longteng Jinrui and Zheshang Bank on 26 February 2021.

For more details, please refer to the announcements of the Company dated 26 February 2021 and 4 March 2021.

Provision of Guarantee for Chengdu Haotian

On 18 June 2021, Rongxin Investment, as guarantor, entered into a guarantee agreement in favour of the creditor, China Guangfa Bank Co., Ltd. Chengdu Branch (“**China Guangfa Bank**”), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of 成都浩天房地產開發有限公司 (Chengdu Haotian Real Estate Development Co., Ltd.*) (“**Chengdu Haotian**”), a company indirectly owned as to 42.5% by the Company, to China Guangfa Bank under the loan agreement entered into by the Chengdu Haotian and China Guangfa Bank on 18 June 2021.

For more details, please refer to the announcement of the Company dated 18 June 2021.

Partial repurchase of senior notes

Reference is made to the issuance of the 2025 Notes. On 4 March 2021, the Company had, in the open market, repurchased part of the 2025 Notes in a principal amount of US\$34,500,000, representing 11.5% of the aggregate principal amount of the 2025 Notes outstanding. The Company will cancel the repurchased notes in accordance with the terms of the 2025 Notes and the relevant indenture.

For more details, please refer to the announcement of the Company dated 4 March 2021.

On 31 March 2021, the Company had, in the open market, repurchased part of (i) the 6.75% senior notes due 2024 (ISIN: XS2211514885) (the “**6.75% due 2024 Notes**”); and (ii) the 2025 Notes (together the “**Notes**”) in an aggregate amount of US\$30,000,000, comprising (i) the 6.75% due 2024 Notes of US\$15,000,000 in aggregate principal amount, representing 7.5% of the total principal amount of the 6.75% due 2024 Notes at the time of initial listing; (ii) the 2025 Notes of US\$15,000,000 in aggregate principal amount, representing 5% of the total principal amount of the 2025 Notes at the time of initial listing. The Company will cancel the repurchased Notes in accordance with the terms of the Notes and indentures.

Management Discussion and Analysis

For more details, please refer to the announcement of the Company dated 31 March 2021.

On 15 April 2021, the Company had, in the open market, repurchased part of the 8.75% Senior Notes due 2022 (ISIN: XS1976760782) (the “**8.75% due 2022 Notes**”) in a principal amount of US\$10,000,000, representing 1.43% of the total principal amount of the 8.75% due 2022 Notes at the time of initial listing. The Company will cancel the repurchased notes in accordance with the terms of the 8.75% due 2022 Notes and indenture.

For more details, please refer to the announcement of the Company dated 15 April 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group’s net current assets amounted to RMB72,598.75 million (31 December 2020: RMB70,621.43 million). Specifically, the Group’s total current assets increased by 6.62% from RMB204,359.14 million as at 31 December 2020 to RMB217,884.13 million as at 30 June 2021. The Group’s total current liabilities increased by 8.63% from RMB133,737.71 million as at 31 December 2020 to RMB145,285.38 million as at 30 June 2021. The increase in the Group’s total current assets was primarily attributable to the increase in trade and other receivables and prepayments by 17.49% from RMB29,518.19 million as at 31 December 2020 to RMB34,680.59 million as at 30 June 2021.

As at 30 June 2021, the Group had cash and bank balances of RMB32,182.73 million (31 December 2020: RMB29,901.78 million), total borrowings of RMB71,955.33 million (31 December 2020: RMB71,859.73 million) and weighted average effective interest rate for outstanding borrowings of 6.52% (including bank borrowings, trust and other borrowings, the domestic corporate bonds, senior notes and the ABS) (31 December 2020: 6.55%).

As at 30 June 2021, the aggregated issued amount of the domestic corporate bonds was RMB10,095.04 million, representing 14.03% of the total borrowings of the Group.

PLEDGE OF ASSETS

As at 30 June 2021, the Group’s borrowings were secured by the Group’s assets of RMB49,013.56 million (31 December 2020: RMB48,731.03 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 RMB40,110.67 million as at 30 June 2021 (31 December 2020: RMB35,569.02 million).

Management Discussion and Analysis

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 2021, the current ratio of the Group was 1.50 times (31 December 2020: 1.53 times). The decrease of the Group's current ratio was mainly attributable to the increase of contract liabilities.

GEARING RATIO

As at 30 June 2021, the gearing ratio of the Group was 0.75 (31 December 2020: 0.83), mainly due to the increase of total equity and cash and bank balances. This ratio is calculated as net borrowings divided by total equity as shown in the interim condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the interim condensed 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.

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. As at 30 June 2021, the Group's financial assets and liabilities denominated in currencies other than RMB were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB24,708.13 million. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to its 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.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSAL

The Group did not hold any significant investments as at 30 June 2021, and had no material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2021.

Management Discussion and Analysis

EVENTS AFTER THE BALANCE SHEET DATE

The Group had no material events from 30 June 2021 till the date of this report.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group employed a total of 3,160 full-time employees (30 June 2020: 3,488 full-time employees). For the six months ended 30 June 2021, the staff cost recognised as expenses of the Group amounted to RMB571.70 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 2021, 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.

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 2021, 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, 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 2021.

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 of the Company (“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 8.02% of the total Shares in issue as at 30 June 2021).

(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 2021, the Company had 41,462,420 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 2021 are as follows:

Name of grantee	Date of grant	Exercise price per share (HK\$)	Exercise period	Balance as at 1 January 2021	Changes during the six months ended 30 June 2021				Balance as at 30 June 2021
					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	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	3,821,205	-	-	-	-	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	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	12,090,045	-	-	-	239,256	11,850,789
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	16,115,899	-	-	-	967,930	15,147,969
Total				42,669,606	-	-	-	1,207,186	41,462,420

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.

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 2021.

Corporate Governance and Other Information

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

As at 30 June 2021, the interests and short positions of the Directors and the chief executive 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)	66.77%
Mr. Zeng Feiyan ^(Note 3)	Beneficial owner	3,821,205 (L)	0.23%
Mr. Ruan Youzhi ^(Note 3)	Beneficial owner	5,460,705 (L)	
	Interest of spouse	231,500 (L)	
		Total: 5,692,205 (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 2021, the Company issued 1,683,431,417 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 and TMF (Cayman) Ltd. as the trustee. As at 30 June 2021, TMF (Cayman) Ltd. owned all the issued shares in Honesty Global Holdings Limited, which in turn owned all the issued shares in Dingxin Company Limited, which in turn held 1,123,974,411 Shares.
- (3) The Company adopted the Share Option Scheme on 28 December 2015. As at 30 June 2021, 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 2021, none of the Directors and chief executive 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 2021, 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)	66.77%
Honesty Global Holdings Limited ^(Note 2)	Interest in controlled corporation	1,123,974,411 (L)	66.77%
TMF (Cayman) Ltd. ^(Note 2)	Trustee of a trust	1,123,974,411 (L)	66.77%
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)	66.84%
Ms. Xu Lixiang ^(Note 4)	Beneficiary of a trust/ Interest of spouse	1,123,974,411 (L)	66.77%
Huatai Securities Co., Ltd.	Security interest/ Interest in controlled corporation	130,000,000 (L)	7.72%

Notes:

- (1) As at 30 June 2021, the Company issued 1,683,431,417 Shares. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Dingxin Company Limited is wholly owned by Honesty Global Holdings Limited, which in turn is 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 2021, 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 2021, 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 2021 (for the six months ended 30 June 2020: 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 1,830,000 Shares at an aggregate consideration of HK\$9,968,110 (before expenses) on the Stock Exchange using internal resources.

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

Date of Shares repurchased	Date of cancellation	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Total consideration paid (HK\$)
8 January 2021	12 March 2021	1,830,000	5.51	5.36	9,968,110.00

The above share repurchases were made by the Directors with a view to place much emphasis on Shareholders' interest.

Save as disclosed above, during the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Issue and partial repurchase of senior notes

References are made to the paragraphs headed "Issuance of US\$300,000,000 7.1% senior notes due 2025", "Issuance of US\$200,000,000 5.50% senior notes due 2022" and "Partial repurchase of senior notes" in the section headed "Management Discussion and Analysis – Financing Activities" in this report.

Save as disclosed in this report, during the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Corporate Governance and Other Information

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 2021. The interim results for the six months ended 30 June 2021 have not been audited but have 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 2021

Interim Condensed Consolidated Income Statement

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	7	21,739,463	21,066,011
Cost of sales		(19,564,058)	(17,925,601)
Gross profit		2,175,405	3,140,410
Selling and marketing costs		(640,535)	(492,509)
Administrative expenses		(631,675)	(690,216)
Fair value losses on investment properties	13	(37,757)	(97,497)
Other income	9	256,712	94,184
Other gains	9	160,969	335,096
Operating profit		1,283,119	2,289,468
Finance income	10	374,578	328,752
Finance costs	10	(98,487)	(275,347)
Finance income — net	10	276,091	53,405
Share of profit or losses of investments accounted for using equity method — net	14	69,547	137,801
Profit before income tax		1,628,757	2,480,674
Income tax expenses	11	(588,354)	(835,178)
Profit for the period		1,040,403	1,645,496
Profit for the period attributable to:			
Owners of the Company		684,511	908,431
Non-controlling interests		355,892	737,065
		1,040,403	1,645,496
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
— Basic	12	0.41	0.53
— Diluted	12	0.41	0.53

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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,040,403	1,645,496
Other comprehensive income	—	—
Total comprehensive income for the period	1,040,403	1,645,496
Total comprehensive income for the period attributable to:		
Owners of the Company	684,511	908,431
Non-controlling interests	355,892	737,065
	1,040,403	1,645,496

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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	1,729,824	1,424,939
Investment properties	13	14,059,516	14,487,730
Right-of-use assets	13	444,006	444,183
Intangible assets		3,932	5,365
Investments accounted for using equity method	14	11,152,903	10,862,379
Financial assets at fair value through profit or loss	5.4	638,265	996,855
Deferred tax assets		697,137	668,200
Total non-current assets		28,725,583	28,889,651
Current assets			
Properties under development	15	124,618,985	120,098,735
Completed properties held for sale	15	15,613,884	14,065,964
Contract assets		1,006,940	1,098,664
Trade and other receivables and prepayments	16	34,680,592	29,518,185
Amounts due from related parties	27(d)	5,826,222	5,984,288
Prepaid taxation		3,848,595	3,329,274
Financial assets at fair value through profit or loss	5.4	106,177	362,248
Term deposits	17	6,025,322	6,989,416
Restricted cash	17	4,864,027	3,057,486
Cash and cash equivalents	17	21,293,384	19,854,876
Total current assets		217,884,128	204,359,136
Total assets		246,609,711	233,248,787
EQUITY			
Share capital	18	15	15
Share premium	18	3,082,681	3,786,195
Other reserves	19	14,611,364	13,926,853
Capital and reserves attributable to the owners of the Company		17,694,060	17,713,063
Non-controlling interests		34,995,094	32,945,940
Total equity		52,689,154	50,659,003

Interim Condensed Consolidated Balance Sheet

	Note	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	21	46,806,628	46,921,115
Lease liabilities		17,659	15,431
Deferred tax liabilities		1,810,895	1,915,527
Total non-current liabilities		48,635,182	48,852,073
Current liabilities			
Borrowings	21	25,148,704	24,938,617
Lease liabilities		15,376	9,900
Contract liabilities	22	72,894,146	65,076,080
Trade and other payables	23	31,980,070	31,476,801
Amounts due to related parties	27(d)	8,767,924	5,291,322
Current tax liabilities		6,479,155	6,944,991
Total current liabilities		145,285,375	133,737,711
Total liabilities		193,920,557	182,589,784
Total equity and liabilities		246,609,711	233,248,787

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 reserves				
					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 2021 (Unaudited)									
Balance at 1 January 2021	15	3,786,195	851,583	1,921,846	82,076	11,071,348	17,713,063	32,945,940	50,659,003
Comprehensive income									
— Profit for the period	—	—	—	—	—	684,511	684,511	355,892	1,040,403
— Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	684,511	684,511	355,892	1,040,403
Transactions with owners in their capacities as owners									
Buy-back and cancellation of shares (Note 18)	—	(8,341)	—	—	—	—	(8,341)	—	(8,341)
Disposal of a subsidiary	—	—	—	—	—	—	—	(202,363)	(202,363)
Capital injection from non-controlling interests	—	—	—	—	—	—	—	2,377,850	2,377,850
Capital reduction of the subsidiaries	—	—	—	—	—	—	—	(16,500)	(16,500)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	—	(465,725)	(465,725)
Final dividend of 2020 (Note 20)	—	(695,173)	—	—	—	—	(695,173)	—	(695,173)
Total transactions with owners in their capacities as owners	—	(703,514)	—	—	—	—	(703,514)	1,693,262	989,748
Balance at 30 June 2021	15	3,082,681	851,583	1,921,846	82,076	11,755,859	17,694,060	34,995,094	52,689,154

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserves	Statutory reserves	Share-based compensation reserves	Retained earnings	Subtotal	Non-controlling interests	Total equity
	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 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 of 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

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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	1,410,486	927,458
PRC corporate income tax paid	(915,869)	(1,121,629)
PRC land appreciation tax paid	(617,906)	(793,981)
Net cash used in operating activities	(123,289)	(988,152)
Cash flows from investing activities		
Payments for purchase of property and equipment and investment properties	(156,007)	(429,064)
Payments for purchase of intangible assets	(21)	(1,854)
Proceeds from disposal of property, plant and equipment	25,251	1,595
Proceeds from disposal of investment properties	94,985	—
Capital injections to joint ventures and associates	(394,859)	(848,578)
Proceeds from disposal of an associate	—	13,100
Payments for acquisition of financial assets at fair value through profit and loss	(167,251)	(99,927)
Proceeds from disposal of financial assets at fair value through profits and loss	932,106	4,000
Cash advances to related parties and non-controlling interests	(7,679,192)	(6,129,193)
Repayments from related parties and non-controlling interests	5,695,191	3,091,498
Cash advances to third parties	(282,204)	—
Interest received	198,252	277,350
Decrease in term deposits	943,436	4,795,719
Payments for acquisition of subsidiaries, net of cash acquired	—	(136,749)
Net cash outflow of disposal of a subsidiary	(4,793)	(19,278)
Proceeds from settlement of derivative financial instruments	—	300
Net cash (used in)/generated from investing activities	(795,106)	518,919

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Proceeds from borrowings	17,824,813	15,824,041
Repayments of borrowings	(17,457,550)	(10,294,862)
Cash advances from related parties and non-controlling interests	9,410,311	1,896,630
Repayments to related parties and non-controlling interests	(6,647,747)	(3,546,566)
Payments for buy-back and cancellation of shares	(8,341)	(114,462)
Issuance of ordinary shares in connection with exercise of share options	—	14,774
Capital injections from non-controlling interests	2,357,600	274,663
Capital reduction of the subsidiaries	—	(896,400)
Dividends paid to non-controlling interest in subsidiaries	(180,539)	—
Interest paid	(2,774,282)	(2,385,189)
Principal elements of lease payments	(11,462)	(12,988)
Restricted cash pledged for borrowings	(139,755)	163,130
Dividends paid to the Company's shareholders	(16,213)	(155,479)
Net cash generated from financing activities	2,356,835	767,292
Net increase in cash and cash equivalents	1,438,440	298,059
Cash and cash equivalents at beginning of the period	19,854,876	15,344,805
Exchange gains/(losses) on cash and cash equivalents	68	(2,374)
Cash and cash equivalents at end of the period	21,293,384	15,640,490

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 2021.

This interim condensed consolidated financial information has not been audited.

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 financial 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.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34, “Interim financial reporting”. The interim condensed consolidated financial information 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 2020, 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 amendments to standards and interpretations adopted by the Group

Amendments to HKFRS 9, HKAS 39, HKFRS 7, Interest Rate Benchmark Reform — Phase 2
HKFRS 4, and HKFRS 16

The adoption of these new and amended standards and interpretations did not have any material impact on the interim condensed consolidated financial information 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 on 1 January 2021 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or non-current	1 January 2023
Amendments to HKAS 1, HKFRS Practice Statement 2 and HKAS 8	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
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
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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 impact of new and amended standards and interpretations above is still under assessment by the Group.

Notes to the Interim Condensed Consolidated Financial Information

4 Estimates

The preparation of the interim condensed consolidated 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 applied to the consolidated financial statements for the year ended 31 December 2020.

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 2021, 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\$. As at 30 June 2021, the Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

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 2020.

There have been no changes in the risk management policies since 31 December 2020.

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 2021 (Unaudited)					
Non-derivatives					
Borrowings (Note 21)	29,238,558	32,734,232	15,494,220	3,340,320	80,807,330
Trade and other payables, excluding accrual for staff costs and other taxes payable	25,442,183	—	—	—	25,442,183
Lease liabilities	17,491	9,335	12,052	4,015	42,893
Amounts due to related parties	8,767,924	—	—	—	8,767,924
	63,466,156	32,743,567	15,506,272	3,344,335	115,060,330

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 2020					
Non-derivatives					
Borrowings	28,970,820	27,180,355	21,162,743	3,317,913	80,631,831
Trade and other payables, excluding accrual for staff costs and other taxes payable	25,068,600	—	—	—	25,068,600
Lease liabilities	11,368	7,080	6,940	4,544	29,932
Amounts due to related parties	5,291,322	—	—	—	5,291,322
	59,342,110	27,187,435	21,169,683	3,322,457	111,021,685

Note: Interests on borrowings were calculated on borrowings held as at 30 June 2021 and 31 December 2020, respectively. Floating-rate interests were estimated using the current interest rate as at 30 June 2021 and 31 December 2020, 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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Total borrowings (Note 21)	71,955,332	71,859,732
Less: Cash and bank balances (Note 17)	(32,182,733)	(29,901,778)
Net borrowings	39,772,599	41,957,954
Total equity	52,689,154	50,659,003
Gearing ratio	0.75	0.83

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, FVPL. The Group's financial liabilities include trade and other payables, amounts due to related parties 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 assess the 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 measured at fair value as at 30 June 2021 and 31 December 2020:

At 30 June 2021	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at fair value through profit or loss	274,619	469,823	744,442

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 2020	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at fair value through profit or loss	1,007,135	351,968	1,359,103

The FVPL are measured at fair value, which is grouped into level 3 and level 2 fair value measurements, subsequent to initial recognition. Specific valuation techniques are used to determine fair value for the financial assets, including discounted cash flow analysis.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers among levels 1, 2 and 3 for 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 2021 (six months ended 30 June 2020: same).

As at 30 June 2021, the non-current assets, other than FVPL and deferred tax assets, were located in the PRC (31 December 2020: same).

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 2021 (six months ended 30 June 2020: same).

Notes to the Interim Condensed Consolidated Financial Information

7 Revenue

Revenue of the Group for the six months ended 30 June 2021 is as follow:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Revenue from sales of properties		
— Recognised at a point in time	20,858,476	20,571,784
Revenue from construction services, hotel operations and others:		
— Recognised at a point in time	252,421	126,093
— Recognised over time	553,110	306,513
Revenue from other sources — rental income	75,456	61,621
	21,739,463	21,066,011

8 Expenses by nature

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold (including construction costs, land costs and interest costs)	19,283,109	17,695,795
Staff costs (including directors' emoluments)	571,695	623,275
Marketing, advertising and commission costs	323,251	188,868
Property management fees	171,899	131,411
Depreciation and amortisation	93,718	92,663

Notes to the Interim Condensed Consolidated Financial Information

9 Other income and other gains

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	224,082	72,502
Forfeited deposits from customers	17,952	17,930
Government grants	14,553	2,128
Miscellaneous	125	1,624
	256,712	94,184
Other gains		
Fair value gains on FVPL	147,018	78,003
Gains from bond repurchase	28,236	81,492
Gains from disposal of property, plant and equipment	11,165	—
Gains from disposal of a subsidiary	85	77,223
Foreign exchange losses	(25,201)	—
Losses from disposal of investment properties	(334)	—
Fair value gains on derivative financial instruments	—	66,171
Gains from disposal of an associate	—	32,207
	160,969	335,096

Notes to the Interim Condensed Consolidated Financial Information

10 Finance income — net

	Six months ended 30 June	
	2021	2020
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income		
— Net foreign exchange gains	217,172	—
— Interest income from bank deposits	157,406	328,752
	374,578	328,752
Finance costs		
— Net foreign exchange losses	—	134,658
— Borrowing costs	2,726,761	2,343,814
— Less: capitalised	(2,628,274)	(2,203,125)
	98,487	275,347
Finance income — net	276,091	53,405

11 Income tax expenses

	Six months ended 30 June	
	2021	2020
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax:		
PRC corporate income tax	637,586	803,514
Land appreciation tax ("LAT")	67,921	18,179
	705,507	821,693
Deferred income tax		
PRC corporate income tax	(117,153)	13,485
	588,354	835,178

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 2021 and 2020, 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 2021 (six months ended 30 June 2020: 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 2021 (six months ended 30 June 2020: 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 2021 and 2020.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	684,511	908,431
Weighted average number of ordinary shares in issue (in thousand)	1,683,522	1,711,413
Basic earnings per share (RMB per share)	0.41	0.53

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 market share price of the Company for the period) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	684,511	908,431
Weighted average number of ordinary shares in issue (in thousand)	1,683,522	1,711,413
Adjustments — share options and awarded shares (in thousand)	—	5,495
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	1,683,522	1,716,908
Diluted earnings per share (RMB per share)	0.41	0.53

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 2021 (Unaudited)			
Opening net book amount as at 1 January 2021	1,424,939	444,183	14,487,730
Additions	25,982	17,827	72,132
Disposals	(14,086)	—	(95,319)
Transfer	367,270	—	(367,270)
Fair value losses	—	—	(37,757)
Depreciation and amortisation	(74,281)	(18,004)	—
Closing net book amount as at 30 June 2021	1,729,824	444,006	14,059,516
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	1,499	—	—
Additions	7,194	16,841	1,829,697
Disposals	(1,208)	—	—
Disposals of subsidiaries	—	—	(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

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 2021 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 condensed consolidated balance sheet and the condensed consolidated income statement are set out as below:

(i) Amounts recognised in the condensed consolidated balance sheet

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Investments accounted for using the equity method:		
— Joint ventures	5,260,822	5,018,613
— Associates	5,892,081	5,843,766
	11,152,903	10,862,379

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Share of net (losses)/profit of investments accounted for using the equity method:		
— Joint ventures	(82,091)	116,196
— Associates	151,638	21,605
	69,547	137,801

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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
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Properties under development expected to be completed

— Within normal operating cycle included under current assets	124,618,985	120,098,735
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The normal operating cycle of the Group's property development generally ranges from one to three years.

The amounts of RMB76,928,615,000 as at 30 June 2021 (31 December 2020: RMB73,412,699,000) under normal operating cycle classified as current assets were expected to be completed and delivered beyond one year.

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
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Properties under development comprise:

— Construction costs	21,564,599	21,010,102
— Capitalised interests	15,860,462	15,584,003
— Land use rights	87,193,924	83,504,630

124,618,985	120,098,735
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	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
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Completed properties held for sale comprise:

— Construction costs	7,716,352	7,194,348
— Capitalised interests	2,001,624	1,766,523
— Land use rights	5,895,908	5,105,093

15,613,884	14,065,964
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The information of the Group's pledged assets is disclosed in the Note 26.

Write-downs of the properties under development and completed properties held for sale to net realisable value amounted to RMB262,202,000 (six months ended 30 June 2020: RMB82,639,000), which were recognised as costs of sales during the six months ended 30 June 2021.

Notes to the Interim Condensed Consolidated Financial Information

16 Trade and other receivables and prepayments

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables (note (a))	30,867	158,346
Other receivables		
— Amounts due from minority shareholders	13,337,735	11,517,665
— Deposits for acquisition of land use rights and property development projects	832,813	1,023,719
— Other amounts due from third parties	4,340,528	3,815,765
— Deposits for construction contracts	145,840	145,840
— Others	1,357,808	1,306,588
Less: loss allowance	(34,563)	(29,879)
	19,980,161	17,779,698
Prepayments		
— Prepayments for acquisition of land use rights	10,803,507	6,240,560
— Prepaid value added tax and other taxes	3,635,079	5,166,163
— Others	230,978	173,418
	14,669,564	11,580,141
Trade and other receivables and prepayments	34,680,592	29,518,185

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.

Ageing analysis of the trade receivables is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	30,704	158,280
Over one year	163	66
	30,867	158,346

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 2021, the Group's trade and other receivables were mainly denominated in RMB(31 December 2020: same). As at 30 June 2021, the Group's maximum exposure to credit risk was the carrying value of each class of receivables mentioned above (31 December 2020: same).

Notes to the Interim Condensed Consolidated Financial Information

17 Cash and bank balances

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and cash equivalents	21,293,384	19,854,876
Term deposits (Note (a))	6,025,322	6,989,416
Restricted cash (Note (b))	4,864,027	3,057,486
Cash and bank balances	32,182,733	29,901,778

- (a) The weighted average effective interest rate of the Group's term deposits as at 30 June 2021 was 1.86% per annum (31 December 2020: 3.27% 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 2021 (Unaudited)					
As at 1 January 2021	1,685,261,000	16,823	15	3,786,195	3,786,210
Buy-back and cancellation of shares (Note (b))	(1,830,000)	(18)	—	(8,341)	(8,341)
Final dividend of 2020 (Note 20)	—	—	—	(695,173)	(695,173)
As at 30 June 2021	1,683,431,000	16,805	15	3,082,681	3,082,696
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 (b))	(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 2021 was HK\$380,000 (31 December 2020: same) divided into 38,000,000,000 shares (31 December 2020: same).
- (b) The Company acquired 1,830,000 of its own shares through purchases from the stock market during the six months ended 30 June 2021 for cash totaling HK\$9,968,000 (equivalent to RMB8,341,000) which have been deducted from the share capital and share premium accounts. These shares have been cancelled after the repurchase.

The Company acquired 15,896,500 of its own shares through purchases from the stock market during the period ended 30 June 2020 for cash totaling HK\$125,370,000 (equivalent to RMB114,462,000) which have been deducted from the share capital and share premium accounts. These shares have been cancelled after the repurchase.

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) 2017 Option : 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) 2019 Option : Options will be vested on 5 January 2020.

Notes to the Interim Condensed Consolidated Financial Information

19 Other reserves (continued)**(c) Share-based compensation reserve (continued)**

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

	Number of Options
As at 1 January 2020	47,846,500
Exercised during the period	(2,451,000)
As at 30 June 2020	45,395,500
As at 1 January 2021	42,670,000
Forfeited during the period	(1,207,000)
As at 30 June 2021	41,463,000

The share options above are fully vested and exercisable.

20 Dividend

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

The 2020 final dividend of HK\$0.50 per ordinary share, totaling approximately HK\$841,716,000 (equivalent to RMB695,173,000) according to the number of shares of the Company registered on 16 June 2021, was approved by the shareholders at the annual general meeting held on 4 June 2021.

Notes to the Interim Condensed Consolidated Financial Information

21 Borrowings

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Senior notes – unsecured (Note (a))	23,357,896	22,927,916
Asset backed securities (“ABS”) – secured (Note (b))	4,469,750	5,465,000
Corporate bonds – unsecured	10,095,039	13,225,854
Borrowings from financial institutions – secured (Note (c))	32,103,142	29,639,084
Less: current portion of non-current borrowings	(23,219,199)	(24,336,739)
	46,806,628	46,921,115
Borrowings included in current liabilities:		
Borrowings from financial institutions – secured (Note (c))	1,929,505	601,878
Current portion of non-current borrowings	23,219,199	24,336,739
	25,148,704	24,938,617
Total borrowings	71,955,332	71,859,732

- (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 or rental income.
- (c) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 26.

Notes to the Interim Condensed Consolidated Financial Information

21 Borrowings (continued)

(d) The Group's borrowings were repayable as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 1 year	25,148,704	24,938,617
Between 1 and 2 years	30,285,939	24,751,033
Between 2 and 5 years	14,461,751	20,141,207
Over 5 years	2,058,938	2,028,875
Total	71,955,332	71,859,732

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
— RMB	47,247,199	47,429,299
— US\$	23,703,812	23,277,302
— HK\$	1,004,321	1,153,131
	71,955,332	71,859,732

(f) The fair value of senior notes as at 30 June 2021 was RMB23,104,027,000(31 December 2020: RMB23,807,766,000), 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 2021 (31 December 2020: same) as either the impact of discounting was not significant or the borrowings carried floating rates of interests.

Notes to the Interim Condensed Consolidated Financial Information

22 Contract liabilities

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current contract liabilities – sales of properties	72,894,146	65,076,080

- (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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	19,520,531	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 2021 and 31 December 2020.

Notes to the Interim Condensed Consolidated Financial Information

23 Trade and other payables

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables (Note (a))	11,229,941	11,616,425
Note payables	142,817	280,345
Other payables:		
— Amounts due to non-controlling interests	9,350,360	10,017,191
— Other taxes payable	6,392,719	5,997,416
— Interests payable	958,202	1,007,062
— Deposits received for sales of properties	216,340	312,912
— Dividend payable	703,536	24,576
— Deposits from contractors and suppliers	592,853	564,637
— Accrued payroll	145,168	410,785
— Others	2,248,134	1,245,452
	31,980,070	31,476,801

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	9,950,607	10,301,675
Over one year	1,279,334	1,314,750
	11,229,941	11,616,425

(b) Other payables of approximately RMB1,107,909,000 are interest bearing and repayable within one year from 30 June 2021.

(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 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Guarantee in respect of mortgage facilities for certain purchasers (Note (a))	36,539,715	32,160,118
Guarantee provided for the borrowings of the joint ventures and associates (Note (b))	3,570,954	3,408,900
	40,110,669	35,569,018

- (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. The Directors consider that the fair value of these contracts at the date of inception was minimal, the repayment was on schedule and risk of default in payment was remote, therefore no provision has been made in the financial statements for the guarantees.

Notes to the Interim Condensed Consolidated Financial Information

25 Commitments

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted but not provided for		
— Property development activities	23,170,032	25,095,364
— Land use rights	5,356,211	2,181,770
— Equity investment	294,040	291,733
	28,820,283	27,568,867

26 Assets pledged as security

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	778,069	857,992
Land use rights	248,718	253,727
Investment properties	6,703,253	6,849,010
Total non-current assets pledged as security	7,730,040	7,960,729
Current assets		
Properties under development and completed properties held for sale	40,692,491	40,155,157
Restricted cash	591,026	615,144
Total current assets pledged as security	41,283,517	40,770,301
Total assets pledged as security	49,013,557	48,731,030

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

Shares of certain subsidiaries held by the Company were pledged as security for borrowing of the Group at 30 June 2021.

Notes to the Interim Condensed Consolidated Financial Information

27 Significant related party transactions

(a) Major related parties that had transactions during the six month ended 30 June 2021 with the Group are as follows:

Related parties	Relationship with the Group
Mr. Ou Zonghong ("Mr. Ou") 歐先生	Controlling Shareholder and director of the Company
Ronshine Service Holding Co., Ltd 融信服務集團股份有限公司	A company controlled by the Controlling Shareholder
Xiujing (Fujian) Landscape Engineering Co., Ltd. 秀景(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 Xincheng 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 Heduo Property Development Co., Ltd. 寧波奉化和都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
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
Chongqing Yicheng Yiye Wisdom Technology Co., Ltd. 重慶頤城頤業智慧科技有限公司	Joint venture
Luzhou Jinyue Property Co., Ltd. 瀘州錦樾置業有限公司	Joint venture
Chengdu Longteng Jinrui Property Co., Ltd. 成都隆騰錦瑞置業有限公司	Joint venture
Mianyang Wanwei Jincai Real Estate Development Co., Ltd. 綿陽萬為金彩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

27 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2021 with the Group are as follows: (continued)

Related parties	Relationship with the Group
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
Jinhua Tianxi Property Co., Ltd 金華天璽置業有限公司	Joint Venture
Nanchong Wanwei Real Estate Development Co., Ltd 南充萬為房地產開發有限公司	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
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
Xi'an dihang Real Estate Development Co., Ltd 西安迪航房地產開發有限公司	Joint venture
Xi'an diyue Real Estate Development Co., Ltd 西安迪越房地產開發有限公司	Joint venture
Suzhou Rongpu Property Co., LTD 蘇州融樸置業有限公司	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

27 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2021 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
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
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
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
Hangzhou Jinhong Real Estate Development Co., Ltd. 杭州錦虹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

Notes to the Interim Condensed Consolidated Financial Information

27 Significant related party transactions (continued)

(a) Major related parties that had transactions during the six month ended 30 June 2021 with the Group are as follows: (continued)

Related parties	Relationship with the Group
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
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

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

27 Significant related party transactions (continued)

(b) Key management compensation

Compensation for key management including directors is set out below:

	Six months ended 30 June	
	2021	2020
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Key management compensation:		
— Salaries and other employee benefits	10,501	8,813
— Pension costs	417	110
	10,918	8,923

(c) Transactions with related parties

Save as disclosed elsewhere in this interim condensed consolidated financial information, during the six months ended 30 June 2021, the Group had the following transactions with related parties.

Services provided by related parties

	Six months ended 30 June	
	2021	2020
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Property management services		
— Ronshine Service Holding Co., Ltd.	162,713	106,704
Landscape engineering services		
— Xiujing (Fujian) Landscape Engineering Co., Ltd	105,957	125,927

Notes to the Interim Condensed Consolidated Financial Information

27 Significant related party transactions (continued)

(c) Transactions with related parties (continued)

Services provided to related parties

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest income		
— Joint ventures	116,005	21,134
— Associates	12,718	—
	128,723	21,134
Consultation services		
— Joint ventures	241,968	105,054
— Associates	30,704	—
	272,672	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.

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

Notes to the Interim Condensed Consolidated Financial Information

27 Significant related party transactions (continued)

(d) Balances with related parties

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Amounts due from related parties:		
— Joint ventures	5,374,471	5,110,970
— Associates	446,595	872,081
— Ronshine Service Holding Co., Ltd.	5,156	1,237
	5,826,222	5,984,288
Amounts due to related parties:		
— Joint ventures	6,740,028	3,737,757
— Associates	1,794,193	1,357,450
— Other related parties:	233,703	196,115
— Mr. Ou	76,920	69,152
— Ronshine Service Holding Co., Ltd.	77,446	53,695
— Xiujing (Fujian) Landscape Engineering Co., Ltd.	79,337	73,268
	8,767,924	5,291,322

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

Amounts due to Ronshine Service Holding Co., Ltd. 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 Xiujing (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 represented mainly cash advances from related parties of which approximately RMB362,957,000 are interest bearing and repayable within one year from 30 June 2021.