



SRE GROUP LIMITED  
上置集團有限公司  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 1207)



INTERIM REPORT >>

2021

# GROUP FINANCIAL HIGHLIGHTS

For the six months ended  
30 June 2021

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Revenue (RMB'000)	149,304
Loss attributable to owners of the Company (RMB'000)	(116,221)
Basic loss per share (RMB cents)	(0.57)
Dividend per share – Interim (RMB cents)	–

## Interim Results

The board (the “**Board**”) of directors (the “**Directors**”) of SRE Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 together with comparative figures for the previous corresponding period in 2020. The unaudited interim financial information for the six months ended 30 June 2021 has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2021</b>	2020
		<b>Unaudited</b>	Unaudited
Revenue	3	<b>149,304</b>	110,556
Cost of sales		<b>(93,216)</b>	(40,970)
<b>Gross profit</b>		<b>56,088</b>	69,586
Gains from disposal of subsidiaries and partial interests in a joint venture — net	18	—	81,418
Net impairment losses on financial assets		<b>(32,777)</b>	(50,394)
Other income	19	<b>61,816</b>	57,859
Other gains — net	19	<b>835</b>	1,340
Selling and marketing expenses		<b>(7,394)</b>	(9,195)
Administrative expenses		<b>(62,846)</b>	(61,016)
<b>Operating profit</b>		<b>15,722</b>	89,598
Finance income		<b>833</b>	4,552
Finance costs		<b>(137,364)</b>	(154,297)
Finance costs — net		<b>(136,531)</b>	(149,745)
Share of results of associates	7	<b>(226)</b>	50,086
Share of results of joint ventures	8	<b>(1,392)</b>	(27,351)
<b>Loss before income tax</b>		<b>(122,427)</b>	(37,412)
Income tax expense	4	<b>2,130</b>	(18,735)
<b>Loss for the period</b>		<b>(120,297)</b>	(56,147)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

	<i>Notes</i>	For the six months ended 30 June	
		2021	2020
		Unaudited	Unaudited
<b>Other comprehensive (losses)/income, net of tax</b>			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(11,587)	4,019
<i>Item recycled to profit or loss:</i>			
Exchange differences previously recognised through other comprehensive income recycled to profit or loss and included in gains from disposal of subsidiaries		—	(392)
<b>Total comprehensive loss for the period</b>		<b>(131,884)</b>	(52,520)
Loss attributable to:			
Owners of the Company		(116,221)	(51,243)
Non-controlling interests		(4,076)	(4,904)
		<b>(120,297)</b>	(56,147)
Total comprehensive loss attributable to:			
Owners of the Company		(127,808)	(47,616)
Non-controlling interests		(4,076)	(4,904)
		<b>(131,884)</b>	(52,520)
Losses per share attributable to owners of the Company			
— Basic	5	<b>RMB(0.0057)</b>	RMB(0.0025)
— Diluted		<b>RMB(0.0057)</b>	RMB(0.0025)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

	<i>Notes</i>	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		169,176	178,259
Investment properties		4,112,528	4,112,500
Right-of-use assets		216,010	221,380
Goodwill		–	–
Investments in associates	7	965,877	983,778
Investments in joint ventures	8	2,552,908	2,619,175
Deferred tax assets		252,935	253,004
Financial assets at fair value through other comprehensive income		38,056	38,056
Other non-current assets	9	160,731	162,401
		<b>8,468,221</b>	8,568,553
<b>Current assets</b>			
Prepaid land lease payments		745,190	756,407
Properties held or under development for sale		1,023,553	1,031,028
Inventories		1,972	448
Trade receivables	10	13,659	42,057
Other receivables		1,944,968	1,857,011
Prepayments and other current assets		62,503	61,642
Prepaid income tax		25,531	25,369
Other financial assets at amortised cost		1,614,374	1,463,229
Cash and cash equivalents	11	235,266	379,654
Restricted cash	11	2,646	2,641
		<b>5,669,662</b>	5,619,486
<b>Total assets</b>		<b>14,137,883</b>	14,188,039

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

		<b>30 June 2021</b>	31 December 2020
	<i>Notes</i>	<b>Unaudited</b>	Audited
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued share capital and share premium	12	<b>6,747,788</b>	6,747,788
Other reserves		<b>156,255</b>	167,842
Accumulated losses		<b>(2,848,245)</b>	(2,732,024)
Equity attributable to owners of the Company		<b>4,055,798</b>	4,183,606
Non-controlling interests		<b>283,211</b>	287,287
<b>Total equity</b>		<b>4,339,009</b>	4,470,893
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings	13	<b>3,155,492</b>	3,064,658
Lease liabilities		<b>32,004</b>	32,599
Deferred tax liabilities		<b>1,393,051</b>	1,398,301
		<b>4,580,547</b>	4,495,558
<b>Current liabilities</b>			
Interest-bearing bank and other borrowings	13	<b>1,452,977</b>	1,511,281
Lease liabilities		<b>3,642</b>	5,682
Contract liabilities		<b>550,143</b>	546,270
Trade payables	14	<b>392,796</b>	445,888
Other payables and accruals		<b>1,927,515</b>	1,821,103
Current income tax liabilities		<b>891,254</b>	891,364
		<b>5,218,327</b>	5,221,588
<b>Total liabilities</b>		<b>9,798,874</b>	9,717,146
<b>Total equity and liabilities</b>		<b>14,137,883</b>	14,188,039

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

From 1 January 2021 to 30 June 2021

(Unaudited)

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Issued capital and premium	Surplus reserve	Exchange fluctuation reserve	Other reserves	Accumulated losses	Total			
At 1 January 2021	6,747,788	405,290	(82,469)	(154,979)	(2,732,024)	4,183,606	287,287	4,470,893	
<b>Comprehensive loss</b>									
Loss for the period	-	-	-	-	(116,221)	(116,221)	(4,076)	(120,297)	
Other comprehensive losses	-	-	(11,587)	-	-	(11,587)	-	(11,587)	
<b>Total comprehensive loss for the period</b>	-	-	(11,587)	-	(116,221)	(127,808)	(4,076)	(131,884)	
At 30 June 2021	6,747,788	405,290	(94,056)	(154,979)	(2,848,245)	4,055,798	283,211	4,339,009	

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

From 1 January 2020 to 30 June 2020  
(Unaudited)

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Issued capital and premium	Surplus reserve	Exchange fluctuation reserve	Other reserves	Accumulated losses			
At 1 January 2020	6,747,788	395,391	(4,291)	(154,979)	(1,803,347)	5,180,562	304,948	5,485,510
<b>Comprehensive income/(loss)</b>								
Loss for the period	-	-	-	-	(51,243)	(51,243)	(4,904)	(56,147)
Other comprehensive income	-	-	3,627	-	-	3,627	-	3,627
<b>Total comprehensive income/(loss) for the period</b>	-	-	3,627	-	(51,243)	(47,616)	(4,904)	(52,520)
<b>Transaction with owners</b>								
Share-based payments	-	-	-	(11,342)	-	(11,342)	-	(11,342)
<b>Total transactions with owners</b>	-	-	-	(11,342)	-	(11,342)	-	(11,342)
At 30 June 2020	6,747,788	395,391	(664)	(166,321)	(1,854,590)	5,121,604	300,044	5,421,648

The accompanying notes are an integral part of these interim condensed consolidated financial statements.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

	<i>Notes</i>	<b>For the six months ended 30 June</b>	
		<b>2021</b>	2020
		<b>Unaudited</b>	Unaudited
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	16	<b>3,350</b>	(5,397)
Interest paid		<b>(39,328)</b>	(116,974)
Income tax paid		<b>(2,590)</b>	(11,887)
Income tax refunds received		<b>955</b>	–
<b>Net cash outflow from operating activities</b>		<b>(37,613)</b>	(134,258)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		<b>(126)</b>	(515)
Proceeds from disposal of property, plant and equipment		<b>12</b>	254
Net of cash disposed from disposal of subsidiaries		–	(83,528)
Proceeds from disposal of an investment property		–	3,220
Reduction of capital from joint ventures		–	329,821
Collection of amounts due from a third party associated with disposal of a subsidiary		–	239,945
Return of advances made to a joint venture and an associate		<b>200</b>	84,215
Advance received from a joint venture		–	34,418
Advances to joint ventures and an associate		<b>(156,277)</b>	(22,076)
Interest received		–	1,464
Interest received from a subsidiary of an associate		<b>4,741</b>	–
Dividends received from an associate		<b>5,445</b>	68,440
Payments for costs incurred on investment properties		<b>(28)</b>	(22,278)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(146,033)</b>	633,380

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021 (Amounts presented in thousands of Renminbi unless otherwise stated)

	<b>For the six months ended 30 June</b>	
<i>Notes</i>	<b>2021</b>	2020
	<b>Unaudited</b>	Unaudited
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	231,873	52,000
Repayments of borrowings	(190,781)	(128,563)
Return of amount due to a related party	–	(200,000)
Principal elements of lease payments	(3,621)	(2,128)
Increase in restricted deposits in relation to bank borrowings	(5)	(4)
	<b>37,466</b>	(278,695)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>37,466</b>	(278,695)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(146,180)</b>	220,427
Cash and cash equivalents at beginning of period	379,654	518,956
Effect of foreign exchange rate changes, net	1,792	(3,948)
	<b>235,266</b>	735,435
<b>Cash and cash equivalents at end of period</b>	<b>235,266</b>	735,435
<b>Reconciled to cash and cash equivalents on the statement of financial position</b>		
Cash and cash equivalents	235,266	735,435
	<b>235,266</b>	735,435

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies

### 1.1 General information

SRE Group Limited (the “**Company**”) was incorporated in Bermuda with limited liability on 11 August 1999 as an exempted company under the Bermuda Companies Act 1981. Pursuant to a group reorganisation (the “**Reorganisation**”) in connection with the listing of the Company’s shares on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company became the holding company on 12 November 1999. Further details of the Reorganisation are set out in the Company’s prospectus dated 30 November 1999. The shares of the Company began to list on the Stock Exchange on 10 December 1999. Effective from 15 August 2019, the Company changed its principal place of business from Suite 1001, 10th Floor, One Pacific Place, 88 Queensway, Hong Kong to Level 11, Admiralty Center Tower II, 18 Harcourt Road, Admiralty, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are mainly engaged in real estate development and investment in Mainland China, on projects located in gateway cities of developed and developing markets.

As at 30 June 2021, the Company’s parent company is China Minsheng Jiaye Investment Co., Ltd. (“**China Minsheng Jiaye**”), which holds 61.44% (31 December 2020: 61.44%) of the Company’s shares.

The interim condensed consolidated financial statements are presented in thousands of Renminbi (“**RMB**”), unless otherwise stated.

### 1.2 Basis of preparation

The notes included herein are extracted from the full set of interim condensed consolidated financial statements of the Group for the six months ended 30 June 2021 which have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.2 Basis of preparation (continued)

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of and for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

#### **Going concern basis**

As at 30 June 2021, the Group's current liabilities included RMB1,453.0 million of borrowings, out of which RMB942.9 million were defaulted and became immediately repayable triggered by (1) deterioration of the financial conditions of China Minsheng Investment Corporation Ltd., the ultimate holding company of the Group since 2018; (2) the arrest of Mr. Peng Xinkuang, a former director of the Company, and the detention of Mr. Chen Donghui, a former director of the Company, by the relevant authorities in the PRC in January and February 2020. The above events also resulted in the default of a joint venture's loan of RMB3,451.8 million guaranteed by the Group which gave rights of the relevant lenders to demand the Group to fulfill its guarantee obligation to repay the loan of the joint venture. As at 30 June 2021, however, the Group's cash and cash equivalents amounted to RMB235.3 million only.

The above conditions indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstance, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as going concern. The Group has formulated following plans and measures to mitigate the liquidity pressure and to improve its cash flows.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.2 Basis of preparation (continued)

#### Going concern basis (continued)

- 1) Although no demand for immediate repayment has been made by the relevant lenders, the Group has been proactively communicating with the relevant lenders to explain that the Group's business, operations, financial condition and cash position remain normal and stable, and the Group has sufficient financial resources to support the repayments of the relevant loans under original repayment schedules. The directors are confident of convincing the relevant lenders not to exercise their rights to request the Group for immediate repayment of the loans prior to their scheduled contractual repayment dates.
- 2) The Group has also been proactively communicating with the lenders of the loan of the joint venture guaranteed by the Group, and the lenders have neither demanded the joint venture for immediate repayment of the loan nor requested the Group to immediately fulfill its guarantee obligation to repay the loan on behalf of the joint venture. The directors are confident to convince the lenders not to exercise such rights to request the joint venture for immediate repayment of the loan prior to its scheduled contractual repayment dates or request the Group to fulfill the guarantee obligation.
- 3) The Group is actively negotiating with several financial institutions to obtain new loans at a reasonable cost. Certain financial institutions have indicated their intention to grant new loans to the Group. Considering the Group's good credit history and its ability in providing sufficient pledges of properties and other assets, the directors are confident that the Group will be able to secure new loans at a reasonable cost, when necessary.
- 4) The Group will continue to speed up its divestments of its financial assets investments, its collection of proceeds from previous disposal transaction, and its return from previous investments in certain joint ventures after their pre-sales of properties under development. Considering the Group's investments in financial assets and joint ventures have property projects as underlying assets, the directors are confident that the Group will be able to successfully and timely generate cash inflows for the Group from above-mentioned transactions and investments.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.2 Basis of preparation (continued)

#### Going concern basis (continued)

The directors of the Company have reviewed the Group's cash flow forecast prepared by management of the Company, which covers a period of at least 12 months from 30 June 2021. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 30 June 2021. Accordingly, the directors are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the followings:

- (i) successful maintenance of a continuing and normal business relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to exercise their contractual rights to demand immediate repayment of the relevant borrowings;
- (ii) successful maintenance of a continuing and normal business relationship with the lenders of the joint venture of the Group such that no action will be taken by the lenders to exercise their contractual rights to demand immediate repayment of the joint venture's loan and request the Group to fulfill its guarantee obligation;
- (iii) successful in obtaining additional sources of financing as and when needed;
- (iv) successful and timely divestments of the Group's financial assets investments, timely collection of proceeds from previous disposal transaction, and successful and timely collections of returns from previous investments in certain joint ventures.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.2 Basis of preparation (continued)

#### **Going concern basis (continued)**

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

### 1.3 Significant accounting policies

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

#### **New amendments to HKFRSs adopted by the Group in 2021**

The Group adopts the following amendments to HKFRSs effective for the financial year ending 31 December 2021.

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

The adoption of above new amendments of HKFRSs does not have a material impact on the financial position and performance of the Group for the six months ended 30 June 2021, nor results in restatement of comparative figures.

The Group has not early adopted any new financial reporting and accounting standards, amendments or interpretations of HKFRSs that were issued but are not yet effective.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.4 Estimates

The preparation of these interim condensed consolidated financial statements 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 expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, 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.

### 1.5 Financial risk management and financial instruments

#### 1.5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks comprising mainly the liquidity risk (Note 1.5.2), together with the foreign currency risk, interest rate risk and credit risk.

These interim condensed consolidated financial statements do 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 last year end.

#### 1.5.2 Liquidity risk

Please refer to Note 1.2 for analysis of going concern basis of preparation.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 1. Basis of Preparation and Accounting Policies (continued)

### 1.5 Financial risk management and financial instruments (continued)

#### 1.5.3 Fair value estimation

There were no changes to the valuation techniques used during the current interim period as compared with last year end.

## 2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services. The reportable operating segments are as follows:

- The property development segment develops and sells residential and commercial properties;
- The property leasing segment leases offices and commercial properties owned by the Group which are classified as investment properties;

The other operations comprises, principally, the corporate activities that are not allocated to segments and miscellaneous insignificant operations including provision of property management services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The performance of each segment is evaluated based on its operating profit or loss before income tax and the methodology used for its calculation is the same as that for the consolidated financial statements. However, group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 2. Operating Segment Information (continued)

An analysis by operating segment is as follows:

	Six months ended 30 June 2021 (unaudited)			
	Property development	Property leasing	Other operations	Total
<b>Segment revenue</b>				
Sales to external customers	73,349	38,746	37,209	149,304
Intersegment sales	–	–	278	278
	73,349	38,746	37,487	149,582
<i>Reconciliation:</i>				
Elimination of intersegment sales				(278)
Revenue				149,304
<b>Segment profit/(loss)</b>	15,426	(3,259)	3,555	15,722
Finance income				833
Finance costs				(137,364)
Finance costs — net				(136,531)
Share of results of associates				(226)
Share of results of joint ventures				(1,392)
<b>Loss before income tax</b>				(122,427)

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 2. Operating Segment Information (continued)

	Six months ended 30 June 2020 (unaudited)			Total
	Property development	Property leasing	Other operations	
<b>Segment revenue</b>				
Sales to external customers	19,331	29,203	62,022	110,556
Intersegment sales	–	–	43,399	43,399
	<u>19,331</u>	<u>29,203</u>	<u>105,421</u>	<u>153,955</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(43,399)</u>
Revenue				<u>110,556</u>
<b>Segment profit</b>	<u>7,985</u>	<u>11,696</u>	<u>69,917</u>	<u>89,598</u>
Finance income				4,552
Finance costs				<u>(154,297)</u>
Finance costs — net				<u>(149,745)</u>
Share of results of associates				50,086
Share of results of joint ventures				<u>(27,351)</u>
<b>Loss before income tax</b>				<u>(37,412)</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 3. Revenue

An analysis of revenue is as follows:

	<b>(unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers recognized at a point in time		
— Revenue from sale of properties	<b>73,579</b>	19,482
— Revenue from hospital service	<b>4,517</b>	7,955
	<b>78,096</b>	27,437
Revenue from contracts with customers recognized over time		
— Revenue from properties management	<b>12,720</b>	11,025
— Revenue from hospital service	<b>11,015</b>	17,849
— Revenue from construction of infrastructure for intelligent network	<b>282</b>	708
	<b>24,017</b>	29,582
Revenue from property leasing	<b>43,670</b>	29,417
Other revenue	<b>4,074</b>	24,506
Less: Tax and surcharges (a)	<b>(553)</b>	(386)
Total revenue	<b>149,304</b>	110,556

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 3. Revenue (continued)

### (a) Tax and surcharges

Tax and surcharges included government surcharges, comprising city maintenance and construction tax, education surtax and river way management fee, which are calculated at certain percentages of value-added tax (“VAT”).

Effective from 1 May 2016, the Group’s revenue is subject to VAT which is deducted directly from the revenue proceeds. The applicable VAT rate for the Group’s revenue is as follows:

- Pursuant to the ‘Public Notice on Relevant Policies for Deepening VAT Reform’ jointly issued by the Ministry of Finance, State Taxation Administration and General Administration of Customs on 29 March 2019, the applicable tax rates of revenue arising from sale and lease of properties and revenue arising from construction of infrastructure for intelligent network are 9% from 1 April 2019, while they were 10% from 1 May 2018 to 31 March 2019, and 11% before 1 May 2018. Qualified old projects, which are those with construction commenced on or before 30 April 2016, can adopt a simplified VAT method at a rate of 5% with no deduction of input VAT. Revenue from property management services is subject to VAT at 6%.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 4. Income Tax Expense

	(unaudited)	
	For the six months ended 30 June	
	2021	2020
Current taxation		
— Mainland China income tax (a)	2,619	5,866
— Mainland China LAT (c)	432	1,602
	3,051	7,468
Deferred taxation		
— Mainland China income tax	(4,141)	10,950
— Mainland China LAT	(454)	(318)
— Mainland China withholding tax (d)	(586)	635
	(5,181)	11,267
Total tax (credit)/charge for the period	(2,130)	18,735

### (a) Mainland China income tax

The Group conducts a significant portion of its business in Mainland China and the applicable income tax rate of its subsidiaries operating in Mainland China is generally 25%, in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

For the pre-sale of properties under development, the tax authorities may impose income tax ahead of the completion of sale transactions and revenue recognition, based on certain estimations. Such prepaid taxes are initially recorded in the statement of financial position and later released to profit or loss upon revenue recognition.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 4. Income Tax Expense (continued)

### (b) Other income tax

The Company is exempted from taxation in Bermuda until 2035. Taxes on profits assessable elsewhere are calculated at the rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (2020: Nil).

### (c) Mainland China land appreciation tax (“LAT”)

LAT is incurred upon transfer of property and land ownership and is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs, taxes and all property development expenditures.

For the pre-sale of properties under development, the tax authorities may impose LAT ahead of the completion of transactions and revenue recognition, generally based on 2% to 3% (2020: 2% to 5%) on proceeds from the sale and pre-sale of properties. Such prepaid taxes are initially recorded in the statement of financial position and later released to profit or loss upon revenue recognition.

### (d) Mainland China withholding tax

Pursuant to the PRC Corporate Income Tax Law which became effective on 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China and on gain from disposal of equity interests to non-tax resident enterprises. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from retained profits as at 31 December 2007 are exempted from withholding tax.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 5. Losses Per Share Attributable to Owners of the Company

The calculation of basic earnings per share amount is based on the profit/(loss) for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 20,564,713 thousand (2020: 20,564,713 thousand) in issue during the period.

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 share options issued in 2016 constitute dilutive shares. For the Company's share options, 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's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the six months ended 30 June 2021 and 2020, as the average market share price of the Company's shares was lower than assumed exercise price being the fair value of any services to be supplied to the Group in the future under the share option arrangement, the impact of exercise of the share options on earnings per share is anti-dilutive.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<b>For the six months ended 30 June 2021</b>	For the six months ended 30 June 2020
<b>Earnings</b>		
Loss attributable to owners of the Company	<b>(116,221)</b>	(51,243)



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 5. Losses Per Share Attributable to Owners of the Company (continued)

	Number of shares	
	For the six months ended 30 June 2021 <i>(Thousand shares)</i>	For the six months ended 30 June 2020 <i>(Thousand shares)</i>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	<u>20,564,713</u>	20,564,713

There have been no other transactions involving ordinary shares or potential ordinary shares between 30 June 2021 and the date of issuance of this interim financial information.

## 6. Dividend

On 26 August 2021, the Board resolved not to declare an interim dividend for the six months ended 30 June 2021 (2020: Nil).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 7. Investments in Associates

**For the six  
months ended  
30 June 2021  
Unaudited**

Opening balance – before provision	<b>1,256,685</b>
<ul style="list-style-type: none"> <li>– Mayson Resources Limited (“<b>Mayson</b>”)</li> <li>– Shanghai Telecom Broadband Networking Co., Ltd. (“<b>Broadband</b>”)</li> <li>– Shanghai Housing Industry New Technology Development Co., Ltd. (“<b>New Technology</b>”)</li> <li>– Shanghai Real Estate Asset Management Co., Ltd. (“<b>SRE Asset</b>”)</li> <li>– Shanghai Orda Opto-electronics Science &amp; Tech Co., Ltd. (“<b>Orda</b>”)</li> <li>– Shang Xin Richgate Investment Management Co., Ltd. (“<b>Richgate</b>”)</li> <li>– Ningbo Meishan Free Trade Zone Jia Miao Investment Co., Ltd. (“<b>Ningbo Jia Miao</b>”)</li> </ul>	<ul style="list-style-type: none"> <li><b>1,202,452</b></li> <li><b>23,894</b></li> <li><b>17,578</b></li> <li><b>7,226</b></li> <li><b>2,577</b></li> <li><b>2,958</b></li> <li style="text-align: center;">–</li> </ul>
Less: Provision for impairment	<b>(272,907)</b>
	<b>983,778</b>
Reduction of investment due to liquidation	<b>(12,230)</b>
<ul style="list-style-type: none"> <li>– New Technology (a)</li> </ul>	<b>(12,230)</b>
Dividends declared	<b>(5,445)</b>
<ul style="list-style-type: none"> <li>– New Technology (a)</li> </ul>	<b>(5,445)</b>
Share of results	<b>(226)</b>
<ul style="list-style-type: none"> <li>– Mayson</li> <li>– Broadband</li> <li>– New Technology</li> <li>– SRE Asset</li> <li>– Orda</li> <li>– Richgate</li> <li>– Ningbo Jia Miao</li> </ul>	<ul style="list-style-type: none"> <li><b>429</b></li> <li><b>1,238</b></li> <li><b>97</b></li> <li><b>(2,036)</b></li> <li style="text-align: center;">–</li> <li><b>46</b></li> <li style="text-align: center;">–</li> </ul>
Ending balance – net	<b>965,877</b>

(a) In June 2021, New Technology completed its liquidation process.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 8. Investments in Joint Ventures

For the six months  
ended 30 June 2021  
Unaudited

Opening balance – before provision	3,211,547
– Shanghai Jinxin Real Estate Co., Ltd. (“ <b>Jinxin Real Estate</b> ”) (a)	1,989,262
– 75 Howard Owner LP (“ <b>75 Howard</b> ”) (a)	807,024
– Ningbo Meishan Free Trade Zone Zhi Miao Investment Center LLP (“ <b>Ningbo Zhi Miao</b> ”) (a)	204,810
– Changsha Horoy Real Estate Development Co., Ltd. (“ <b>Changsha Horoy</b> ”) (a)	123,001
– Napa Lifestyle Holdings, LLC (“ <b>NAPA</b> ”) (a)	68,078
– Certain Business of Golden Luodian (“ <b>Relevant Business of Golden Luodian</b> ”) (a)	–
– Jiangsu Da Run Sensor Technology Co., Ltd. (“ <b>Da Run</b> ”) (a)	12,581
– Shanghai Gaoxin Business Management Co., Ltd. (“ <b>Gao Xin</b> ”) (a)	214
– Revenue Concept Investment Ltd. (“ <b>Revenue Concept</b> ”) (a)	6,577
Less: Provision for impairment	(592,372)
	2,619,175
Share of results	(1,392)
– Jinxin Real Estate	(290)
– 75 Howard	(2,715)
– Ningbo Zhi Miao	16
– Changsha Horoy	(133)
– NAPA	–
– Relevant Business of Golden Luodian	–
– Da Run	–
– Gao Xin	–
– Revenue Concept	1,730
Eliminated interest cost/guarantee fee	(55,943)
– Jinxin Real Estate	(32,944)
– Changsha Horoy	(21,248)
– NAPA	(1,751)
Currency translation differences	(8,932)
Ending balance – net	2,552,908

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 8. Investments in Joint Ventures (continued)

- (a) The Group accounts for its investments in these companies as joint ventures although the Group holds more or less than 50% of equity interest. According to the investment agreements and articles of associations, the Group and the other investors will jointly control the key relevant activities of these companies.

## 9. Other Non-current Assets

Other non-current assets represent a deposit for guarantee for a long-term loan of a joint venture of approximately RMB161 million (31 December 2020: approximately RMB163 million) on which an impairment provision according to HKFRS 9 of approximately RMB0.2 million (31 December 2020: approximately RMB0.2 million) was made.

## 10. Trade Receivables

	<b>30 June</b> <b>2021</b> <b>Unaudited</b>	31 December 2020 Audited
Trade receivables	<b>65,673</b>	64,800
Less: Provision for impairment	<b>(52,014)</b>	(22,743)
	<b>13,659</b>	42,057

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 10. Trade Receivables (continued)

An aged analysis of trade receivables as at the end of the reporting period, from the date when they were recognised, is set out below:

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Within 6 months	<b>3,591</b>	33,786
6 months to 1 year	<b>31,069</b>	–
1 to 2 years	<b>132</b>	806
Over 2 years	<b>30,881</b>	30,208
	<b>65,673</b>	64,800

Trade receivables are non-interest-generating. The credit terms offered by the Group are normally less than six months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

## 11. Cash and Bank Balances

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Cash on hand	<b>266</b>	382
Demand deposits	<b>235,000</b>	379,272
<b>Cash and cash equivalents</b>	<b>235,266</b>	379,654
Restricted bank deposits relating to bank borrowings	<b>2,646</b>	2,641
Cash and bank balances	<b>237,912</b>	382,295

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 12. Issued Share Capital and Share Premium

	Number of shares (thousands)	Share capital and premium RMB'000
As at 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	20,564,713	6,747,788

## 13. Interest-bearing Bank and Other Borrowings

	30 June 2021 Unaudited	31 December 2020 Audited
Non-current	3,155,492	3,064,658
Current	1,452,977	1,511,281
	<b>4,608,469</b>	4,575,939

Movements in borrowings are analysed as follows:

	For the six months ended	
	30 June 2021 Unaudited	30 June 2020 Unaudited
Opening amount as at 1 January	4,575,939	4,636,828
Proceeds from borrowings	231,873	52,000
Repayments of borrowings	(190,781)	(128,563)
Amortisation of discount or premium	2,310	5,290
Currency translation differences	(10,872)	21,026
<b>Closing amount as at 30 June</b>	<b>4,608,469</b>	4,586,581

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 13. Interest-bearing Bank and Other Borrowings (continued)

Interest-bearing bank and other borrowings include bank loans, shareholders loans, a loan from an asset management company and corporate bonds. In April 2021, the Group entered into a loan from an asset management company, which contains conditional exemption of certain amount of debt. The conditional exemption is regarded as an embedded derivative not closely related to the host contract. The board of directors is of the view that the Company does not expect to violate the condition for the exemption and the fair value of the above embedded derivative was insignificant on initial recognition and as at 30 June 2021.

As at 30 June 2021, the Group's bank and other borrowings of approximately RMB1,603 million (31 December 2020: approximately RMB1,627 million) were secured by mortgage of the Group's leasehold land, investment properties, property, plant and equipment, right-of-use assets, properties held or under development for sale, or by pledge of equity interests in a subsidiary or bank deposits.

As at 30 June 2021 and 31 December 2020, pledged assets as collateral for the Group's borrowings were as follows:

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Leasehold land	–	527
Investment properties	<b>2,016,500</b>	2,016,500
Properties held or under development for sale	–	24,071
Property, plant and equipment	<b>68,885</b>	74,012
Right-of-use assets	<b>40,927</b>	41,528
Bank deposits	<b>2,646</b>	2,641
Equity interests in a subsidiary	–	–

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 14. Trade Payables

An aged analysis of trade payables as at the end of the reporting period, from the date when they were incurred, is as follows:

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Within 1 year	<b>19,593</b>	271,612
1 to 2 years	<b>214,752</b>	97,720
Over 2 years	<b>158,451</b>	76,556
	<b>392,796</b>	445,888

Trade payables are mainly payables arising from property construction and land development. The trade payables are non-interest-bearing and are normally settled within one year.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions

In addition to the related party transactions and balances disclosed elsewhere in these interim condensed consolidated financial statements and compensation to key management personnel, the Group had the following transactions and balances with related parties.

### (a) Name and relationship with related parties

Name	Relationship
Broadband	An associate of the Group
New Technology	An associate of the Group
Da Run	A joint venture of the Group
Relevant Business of Golden Luodian	A joint venture of the Group
Mayson	An associate of the Group
Shanghai Shuo Cheng Real Estate Co., Ltd. ("Shuo Cheng")	A subsidiary of an associate of the Group
Jinxin Real Estate	A joint venture of the Group
Changsha Horoy	A joint venture of the Group
75 Howard	A joint venture of the Group
NAPA	A joint venture of the Group
Revenue Concept	A joint venture of the Group
Ningbo Jia Miao	An associate of the Group
CMIG Southern China (Guangzhou) Real Estate Co., Ltd. ("CMIG Southern")	An associate of the Group
China Minsheng Jiaye	The Company's parent company
Jiasheng (Holding) Investment Limited ("Jiasheng")	A fellow subsidiary of the Group
Jiahuang (Holding) Investment Limited ("Jiahuang")	A fellow subsidiary of the Group

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (b) Transactions with related parties

#### (i) Advances to related parties

	(unaudited) For the six months ended 30 June	
	2021	2020
Jinxin Real Estate	155,500	–
Relevant Business of Golden Luodian	694	15,630
Broadband	83	–
Changsha Horoy	–	6,446
	156,277	22,076

#### (ii) Repayment from related parties

	(unaudited) For the six months ended 30 June	
	2021	2020
Relevant Business of Golden Luodian	200	36,215
Shuo Cheng	–	48,000
	200	84,215

#### (iii) Advances received from related parties

	(unaudited) For the six months ended 30 June	
	2021	2020
Revenue Concept	—	34,418
	—	34,418

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (b) Transactions with related parties (continued)

#### (iv) Repayment to the parent company

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
China Minsheng Jiaye	<b>16,816</b>	93,747

#### (v) Loans received from related parties

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
China Minsheng Jiaye	<b>115,000</b>	52,000
Jiahuang	<b>16,873</b>	–
	<b>131,873</b>	52,000

#### (vi) Interest received from a related party

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
Shuo Cheng	<b>4,741</b>	–

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (b) Transactions with related parties (continued)

#### (vii) Dividends received from related parties

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
New Technology	5,445	–
Ningbo Jia Miao	–	68,440
	<u>5,445</u>	<u>68,440</u>

#### (viii) Interest income from related parties

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
Jinxin Real Estate	33,841	10,552
Changsha Horoy	32,033	21,669
Relevant Business of Golden Luodian	14,039	30,013
Shuo Cheng	4,741	–
NAPA	2,291	1,587
	<u>86,945</u>	<u>63,821</u>

Interest income from related parties represents gross interest income before elimination of the Group's share of the interest income.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (b) Transactions with related parties (continued)

#### (ix) Interest expenses charged by related parties

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
China Minsheng Jiaye	73,620	73,339
Jiasheng	28,095	26,379
Jiahuang	3,393	–
	105,108	99,718

#### (x) Guarantees provided to related parties

- (a) The Group provided guarantee to the bank loan for Jinxin Real Estate, a joint venture of the Group. As at 30 June 2021, such guarantee amounted to approximately RMB3,452 million (31 December 2020: approximately RMB3,452 million). For the six months ended 30 June 2021, the Group charged RMB31 million (six months ended 30 June 2020: approximately RMB44 million) (before consolidation elimination) of income from Jinxin Real Estate in relation to this guarantee.
- (b) The Group provided completion guarantee on the development of 75 Howard, a joint venture of the Group in relation to the development loans with drawn amount of US\$239.96 million (approximately RMB1,550 million) as at 30 June 2021 (2020: US\$178.36 million, approximately RMB1,164 million). Relevantly, the Group provided a deposit of US\$24.92 million (approximately RMB161 million) (2020: US\$24.92 million, approximately RMB163 million) as guarantor's letter of credit for the loan apart from the guarantee above.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (c) Related-party balances

#### (i) Trade receivable due from a related party

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Broadband	247	247

#### (ii) Trade payable due to a related party

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
New Technology	–	109

#### (iii) Other receivables due from related parties

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Jinxin Real Estate	570,173	542,583
Relevant Business of Golden Luodian	413,819	413,325
Mayson	152,332	154,071
Ningbo Jia Miao	4,900	4,900
CMIG Southern	3,736	3,736
Boardband	13	–
	<b>1,144,973</b>	1,118,615
Less: provision for impairment	(18,137)	(17,868)
	<b>1,126,836</b>	1,100,747

Amounts due from related parties are unsecured, bear no interest and are expected to be collected within one year. Movements during the period represent payments on behalf, normal advances, repayments or currency translation differences.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (c) Related-party balances (continued)

#### (iv) Other payables due to related parties

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>Unaudited</b>	Audited
Shuo Cheng	<b>827,489</b>	827,489
Broadband	–	70
	<b>827,489</b>	827,559

Amounts due to related parties are unsecured, bear no interest and are repayable on demand. Movements during the period represent normal advances, repayments or currency translation differences.

#### (v) Prepayments due from a related party

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>Unaudited</b>	Audited
Da Run	<b>1,500</b>	1,500
Less: provision for impairment	<b>(1,500)</b>	(1,500)
	–	–

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (c) Related-party balances (continued)

#### (vi) Loans receivable due from related parties

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Relevant Business of Golden Luodian (a)	<b>676,675</b>	676,675
Changsha Horoy (b)	<b>573,291</b>	573,291
Jinxin Real Estate(c)	<b>430,500</b>	275,000
NAPA (d)	<b>38,683</b>	38,683
	<b>1,719,149</b>	1,563,649
Less: provision for impairment	<b>(104,775)</b>	(100,419)
	<b>1,614,374</b>	1,463,230

- (a) The loans receivable due from Relevant Business of Golden Luodian are interest-bearing loans of approximately RMB677 million (31 December 2020: approximately RMB677 million) with an interest rate of 8% per annum. For the six months ended 30 June 2021, interest incurred in relation to these loans was approximately RMB14 million (Six months ended 30 June 2020: approximately RMB30 million).
- (b) The loans receivable due from Changsha Horoy are interest-bearing loans of approximately RMB433 million (31 December 2020: approximately RMB433 million) with an interest rate of 10% per annum and RMB140 million (31 December 2020: approximately RMB140 million) with an interest rate of 15% per annum. For the six months ended 30 June 2021, interest incurred in relation to these loans was approximately RMB32 million (Six months ended 30 June 2020: approximately RMB22 million).



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (c) Related-party balances (continued)

#### (vi) Loans receivable due from related parties (continued)

- (c) The loans receivable due from Jinxin Real Estate are interest-bearing loans of approximately RMB80 million (31 December 2020: approximately RMB80 million) with an interest rate of 24% per annum and approximately RMB351 million (31 December 2020: RMB195 million) with an interest rate of 15% per annum. For the six months ended 30 June 2021, interest incurred in relation to these loans was approximately RMB34 million (Six months ended 30 June 2020: approximately RMB11 million).
- (d) The loans receivable due from NAPA are interest-bearing loans of approximately RMB39 million (31 December 2020: approximately RMB39 million) with an interest rate of 10.5% per annum. For the six months ended 30 June 2021, interest incurred in relation to these loans was approximately RMB2.3 million (Six months ended 30 June 2020: approximately RMB1.6 million).

Interests receivable from related parties in relation to the loans above are summarised as below:

	<b>30 June 2021</b>	31 December 2020
	<b>Unaudited</b>	Audited
Relevant Business of Golden Luodian	<b>368,626</b>	354,587
Changsha Horoy	<b>201,986</b>	169,953
Jinxin Real Estate	<b>61,334</b>	27,493
NAPA	<b>7,759</b>	5,468
	<b>639,705</b>	557,501
Less: provision for impairment	<b>(371,228)</b>	(356,535)
	<b>268,477</b>	200,966

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 15. Related Party Transactions (continued)

### (c) Related-party balances (continued)

#### (vii) Loans due to related parties

	<b>30 June 2021 Unaudited</b>	31 December 2020 Audited
Non-current (a)		
— China Minsheng Jiaye	<b>2,110,748</b>	2,012,564
— Jiasheng	<b>944,743</b>	954,220
	<b>3,055,491</b>	2,966,784
Current (a)		
— Jiahuang	<b>81,397</b>	65,249
	<b>81,397</b>	65,249
	<b>3,136,888</b>	3,032,023

- (a) As at 30 June 2021, the loans of approximately RMB2,111 million (31 December 2020: approximately RMB2,013 million) were provided by the parent company and the loan of approximately RMB945 million (31 December 2020: RMB954 million) and the loan of approximately RMB81 million (31 December 2020: approximately RMB65 million) were provided by Jiasheng and Jiahuang, two fellow subsidiaries of the Group, respectively, among which, RMB560 million (31 December 2020: RMB560 million) was secured by pledge of equity interests of a subsidiary. Interest rates of loans from the parent company ranged from 5.6% to 12% per annum (31 December 2020: 7% to 12% per annum); the interest rate of the loan from Jiasheng was 6% per annum (31 December 2020: 6% per annum) and the interest rate of the loan from Jiahuang was 8% to 10% per annum (31 December 2020: 10% per annum). For the six months ended 30 June 2021, interest incurred in relation to these loans from the parent company, Jiasheng and Jiahuang was approximately RMB105 million (Six months ended 30 June 2020: approximately RMB100 million). In June 2021, the repayment date of the existing loans of approximately RMB3,055 million was further extended to 30 April 2023 with further agreements reached with the parent company and Jiasheng. As at 30 June 2021, the loans of approximately RMB65 million and RMB17 million provided by Jiahuang are respectively due in April 2022 and May 2022.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 16. Notes to the Condensed Consolidated Statement of Cash Flows

Reconciliation of loss before income tax to cash used in operations:

	For the six months ended	
	30 June	
	2021	2020
	Unaudited	Unaudited
<b>Loss before income tax</b>	<b>(122,427)</b>	(37,412)
Adjustments for:		
Depreciation of property, plant and equipment	9,194	9,555
Depreciation of right-of-use assets	5,370	5,131
Net loss/(gain) on disposal of items of property, plant and equipment	4	(182)
Other income	(61,816)	(57,859)
Other gains — net	—	(1,158)
Gains from disposal of subsidiaries, and partial interest in a joint venture — net	—	(81,418)
Share of results of associates	226	(50,086)
Share of results of joint ventures	1,392	27,351
Share-based payments	—	(11,342)
Reversal of provision for properties held or under development for sale	(6,262)	(4,937)
Reversal of provision for properties held payments (Reversal of)/provision for trade receivables	(550)	(746)
Provision for impairment of other financial assets at amortised cost	29,271	—
Provision for impairment of other receivables	4,355	13,890
(Reversal of)/provision for impairment of other non-current assets	(847)	36,501
Finance income	(2)	3
Finance costs	—	(4,552)
	<b>137,364</b>	154,297
	<b>(4,728)</b>	(2,964)
Decrease in prepaid land lease payments	11,767	15,526
Decrease/(increase) in properties held or under development for sale	13,191	(114,354)
(Increase)/decrease in inventories	(1,525)	862
Increase in trade receivables	(873)	(2,494)
Decrease/(increase) in other receivables	38,109	(44,269)
Increase in prepayments and other current assets	(861)	(15,242)
(Decrease)/increase in trade payables	(53,092)	40,023
Decrease in other payables and accruals	(2,511)	(60,508)
Increase in contract liabilities	3,873	178,023
<b>Cash generated from/(used in) operations</b>	<b>3,350</b>	(5,397)

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 17. Commitments and Contingencies

- (a) The Group had the following capital commitments and commitments in respect of property development for sale at the end of the reporting period:

	<b>30 June 2021</b>	31 December 2020
	<b>Unaudited</b>	Audited
<b>Contracted, but not provided for</b>		
Properties held or under development for sale	<b>288,354</b>	47,535
Committed investments in a land development	<b>68,315</b>	63,437
Committed investments in associates	<b>15,640</b>	15,640
	<b>372,309</b>	126,612

- (b) The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates when the banks grant the relevant mortgage loans and end when the purchasers pledge related property certificates as security to the banks offering the mortgage loans. The Group entered into such guarantee contracts with principal amounts totalling approximately RMB151 million (31 December 2020: approximately RMB165 million) and these contracts were still effective as at 30 June 2021.

The Group did not incur any material losses during the period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The directors consider that the probability of default of purchasers is remote and even in case of default on payments, the net realizable value of the related properties is expected to be sufficient to cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty as the principal of each of the mortgage loan is normally below 70% of sales price of the respective property at date of the sales agreement, and therefore no provision has been made in connection with these guarantees.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 17. Commitments and Contingencies (continued)

- (c) As at 30 June 2021, the Group also provided guarantee to the bank loan for a joint venture of the Group, such guarantee amounted to approximately RMB3,452 million (31 December 2020: approximately RMB3,452 million).

For the six months ended 30 June 2021, the Group charged approximately RMB31 million (Six months ended 30 June 2020: approximately RMB43 million) (before consolidation elimination) of income from Jinxin Real Estate in relation to this guarantee.

Meanwhile, the Group provided a completion guarantee on the development of a joint venture in relation to the development loans with drawn amount of US\$239.96 million as at 30 June 2021 (31 December 2020: US\$178.36 million). Relevantly, the Group provided a deposit of US\$24.92 million as at 30 June 2021 (31 December 2020: US\$24.92 million) as guarantor's letter of credit for the loan apart from the guarantee above.

## 18. Gains from Disposal of Subsidiaries and Partial Interests in a Joint Venture — Net

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
Gains from disposal of subsidiaries (a)	—	12,978
Gains from disposal of partial interests in a joint venture (b)	—	68,440
	—	81,418

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 18. Gains/(losses) from Disposal of Subsidiaries and Partial Interests in a Joint Venture — Net (continued)

- (a) In April 2020, the Group disposed of 50% of its equity interests in a then wholly owned subsidiary of the Company, Revenue Concept, which held 92.91% of equity interests in Sinclair, one of the joint ventures of the Group, for a consideration of approximately GBP8.86 million (equivalent to approximately RMB77.92 million) and recorded part of disposal gain of approximately RMB7.81 million. After the transaction, Revenue Concept also became a joint venture of the Group which includes the interests in the joint venture of Sinclair. On the disposal date, the net assets value of Revenue Concept attributable to the Group was approximately RMB140.23 million. After the disposal of 50% equity interest in Revenue Concept, the 50% remaining interests held by the Group was remeasured to its fair value of approximately RMB75.28 million at the date when control was lost, and the difference with its then carrying amount of approximately RMB5.17 million was recognised as part of disposal gain. As such, the Group recorded a disposal gain of approximately RMB12.98 million.
- (b) In June 2020, the Group reduced its investment in Ningbo Zhi Miao of RMB261 million and received basic earnings of approximately RMB68.44 million in relation to this capital reduction.

## 19. Other Income and Other Gains — Net

An analysis of other income is as follows:

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
Interest income from receivables due from related parties	46,746	57,859
Gain from guarantee provided to a joint venture (a)	15,070	–
	61,816	57,859

- (a) Income from guarantee provided to a joint venture of approximately RMB21,415 thousand for the six months ended 30 June 2020 was recorded in revenue.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 19. Other Income and Other Gains — Net (continued)

An analysis of other gains — net is as follows:

	(unaudited)	
	For the six months ended	
	30 June	
	2021	2020
Net loss/(gain) on disposal of property, plant and equipment	4	(182)
Others	(839)	(1,158)
	<u>(835)</u>	<u>(1,340)</u>

## 20. Fair Value and Fair Value Hierarchy of Financial Instruments

### Fair value of financial assets and financial liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorized securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments where there is no active market or when current market prices are not available, fair value is determined using valuation techniques.

The Group's financial assets mainly include cash and bank balances, receivables and financial assets at fair value through other comprehensive income.

The Group's financial liabilities mainly include interest-bearing bank and other borrowings and payables.

The fair values of the Group's financial instruments are not materially different from their carrying amounts. Fair value estimates are made at a specific point in time and are based on relevant market information and appropriate valuation models.

## 20. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

#### **Assets measured at fair value:**

Financial assets at fair value through other comprehensive income of the Group are measured at fair value as at 30 June 2021 and 31 December 2020.

#### **Liabilities measured at fair value:**

Except for the embedded derivative mentioned in note 13, the Group did not have any financial liability measured at fair value as at 30 June 2021 and 31 December 2020.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of Renminbi unless otherwise stated)

## 21. Events after the Reporting Period

In July 2021, the holding share of the entity which holds the legal title of the Relevant Business of Golden Luodian changed from China New Town Development Company Limited to the Group. As such, the Group has the control over that entity and consolidates the Relevant Business of Golden Luodian into the Group.

## 22. Approval of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements were approved and authorized for issue by the board of directors of the Company on 26 August 2021.

## FINANCIAL REVIEW

During the six months ended 30 June 2021 (the “**Reporting Period**”), the Group recorded a net revenue of approximately RMB149 million (six months ended 30 June 2020: RMB111 million), which represents an increase by approximately 35% compared with that of the corresponding period of last year. Loss attributable to owners of the Company for the six months ended 30 June 2021 amounted to approximately RMB116 million while loss attributable to owners of the Company for the corresponding period of last year was approximately RMB51 million. Such change in loss is mainly due to the fact that the Group continued to adhere to its strategic direction of becoming a “regional developer of boutique residential properties” and having real estate as its core business, so no significant assets or subsidiaries were disposed of in the first half of 2021, causing a year-on-year slump in the gain on disposal of investments.

The Board resolved not to declare an interim dividend for the six months ended 30 June 2021 (2020: Nil).

## Liquidity and Financial Resources

As at 30 June 2021, cash and bank balances (including cash and cash equivalents and restricted deposits) amounted to approximately RMB238 million (31 December 2020: approximately RMB382 million). Working capital (net current assets) of the Group as at 30 June 2021 amounted to approximately RMB451 million (31 December 2020: approximately RMB398 million), representing an increase by approximately 13% as compared with the previous year. Current ratio was at 1.09 (31 December 2020: 1.08).

As at 30 June 2021, the Group’s gearing ratio was 50% (31 December 2020: 48%), calculated on the basis of the Group’s net borrowings (after deducting cash and bank balances) over total capital (total equity and net borrowings).

### Interest-bearing Liabilities and Their Composition

As at 30 June 2021, the Group's interest-bearing liabilities amounted to RMB4,608 million, representing 33% of total assets. In respect of financing sources, bank borrowings, shareholder loans and other borrowings accounted for 20%, 68% and 12% respectively. In respect of types of interest rates, liabilities with fixed interest rates accounted for 79% and liabilities with floating interest rates accounted for 21%. In respect of currencies, RMB liabilities and foreign currencies liabilities accounted for 76% and 24% respectively.

### Charges on Assets and Contingent Liabilities

As at 30 June 2021, the Group's bank and other borrowings of approximately RMB1,603 million (31 December 2020: approximately RMB1,627 million) were secured by mortgage of the Group's leasehold land, investment properties, property, plant and equipment, right-of-use assets and properties held or under development for sale, or by pledge of equity interests in a subsidiary or bank deposits.

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates when the banks grant the relevant mortgage loans and end when the purchasers pledge related property certificates as security to the banks offering the mortgage loans. The Group entered into such guarantee contracts with principal amounts totalling approximately RMB151 million (31 December 2020: approximately RMB165 million) and these contracts were still effective as at 30 June 2021.

The Group did not incur any material losses during the Reporting Period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. On this basis, the Directors consider that the probability of default of purchasers is remote and even in case of default on payments, the net realizable value of the related properties is expected to be sufficient to cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty as the principal of each of the mortgage loans is normally below 70% of sales price of the respective property as at the date of the sales agreement, and therefore no provision has been made in connection with the guarantees.

The Group also provided guarantee for bank loans of a joint venture of it. As at 30 June 2021, such guarantee amounted to approximately RMB3,452 million (31 December 2020: approximately RMB3,452 million).

Meanwhile, the Group provided a completion guarantee on the project development of a joint venture in relation to the development loans withdrawn amount of US\$240 million as at 30 June 2021 (31 December 2020: US\$178 million). Relevantly, the Group provided a deposit of US\$24.92 million as at 30 June 2021 (31 December 2020: US\$24.92 million) as guarantor's letter of credit for the loan apart from the guarantee above.

### Risk of Fluctuations in Exchange Rates

The Group conducts a majority of its business operations in the PRC, with most of the revenue and expenses denominated in RMB. The Group currently has no foreign currency hedging policies, but the management monitors risks of fluctuations in exchange rates and will consider hedging significant risks of fluctuations in exchange rates when necessary.

## BUSINESS REVIEW

During the first half of 2021, the GFA of newly introduced commodity properties in key cities reached a record high for the same respective periods due to factors such as the advocate for “staying put for the Spring Festival” against COVID-19 and the policy of “two centralised activities for land supplies” (publishing announcements and organising activities in a centralised manner for land transfer). Driven by increased supply, the overall real estate market was active at the first half of the year as the number of properties sold in cities slightly increased as compared to the previous year. In terms of land transactions, the land market became obviously hotter, particularly in the first- and second-tier cities. Notably, as the central government held a firmer attitude towards real estate market regulation at the first half of the year, several ministries investigated the inflow of such credit funds as operating loans to the market and some cities introduced regulation policies to stabilise market expectations. In this context, the sale of properties slowed down in some cities. With a rational trend and intensified competition among players, the real estate market became increasingly diversified and concentrated.

During the Reporting Period, the macro-economic situation remained complex and policy regulation in the real estate industry continued to deepen. Markets in different regions became increasingly distinctive. In the face of challenges brought by changes in internal and external business environment, the Group will firmly follow the direction of “focusing on projects, key regions, and talent strategies”, stick on the promotion of project development and optimize and improve asset operation. At the first half of the year, there were not many properties available for sale but several key projects in China made milestones and started construction. Some projects are expected to be launched at the second half of the year. In terms of real estate holdings, the Group transformed its properties to improve assets efficiency while ensuring stable operations. In terms of investment, the Group stuck to rational investment with a focus on certain regions and negotiated for some potential investment projects. Meanwhile, current accounts were cleared, relevant accounts were checked, and administrative expenses were optimised to improve liquidity. On the whole, the Group’s cash flow remained solid and business activities were carried out in an orderly manner at the first half of the year. Some projects have made breakthroughs.

## PROPERTY DEVELOPMENT BUSINESS

### Sales Progress

In the first half of 2021, major projects for sale of the Group and its joint ventures and associates mainly included Shanghai Albany Oasis Garden, Shanghai Huating Project, Jiaxing Project, Shanghai Masters Mansions and the 75 Howard Project in the USA. During the first half of 2021, the Group together with its joint ventures and associates (on a 100% basis) achieved contract sales of approximately RMB374 million for a total floor area of 4,349m<sup>2</sup>.

Project	Amount of Sales Contracts (RMB'000)	Contractual Gross Area (m <sup>2</sup> )
75 Howard Project in the USA	244,217	1,117
Shanghai Albany Oasis Garden	59,686	513
Shanghai Huating Project	27,696	–
Shanghai Masters Mansions	20,993	514
Jiaxing Project	13,376	1,554
Other projects	8,290	651
Total	374,258	4,349

## Land Bank

As at 30 June 2021, the Group owned a land bank with a total gross floor area of approximately 1.59 million m<sup>2</sup> (including those of the Group's joint ventures and associates) in Shanghai, Jiaxing, Changsha, Dalian, Beijing, San Francisco, Phnom Penh, etc.

## Progress of Construction

### *Jiaxing Project*

During the first half of 2021, with all the payments collected for sale of properties, the Jiaxing Lanwan Project Phase II exceeded the targets with regard to contract signing and payment collection set for this period. The project has completed construction as planned and is preparing for delivery. This project is expected to meet conditions for delivery in the third quarter.

### *75 Howard Project in the USA*

At the first half of the year, the 75 Howard Project in the USA started interior decoration and progressed smoothly. The building is expected to be completed and granted with the certificate of completion and permit of occupancy within the year. As the sale of properties for the project progressed slowly due to COVID-19 in the USA, the Group has adjusted its sales strategy to boost marketing.

### *Romduol City in Phnom Penh, Cambodia*

During the first half of 2021, the main structure of Building A of the Cambodia project has been completed and renovation works were smoothly underway. The Group has expanded its online sales channels for the project under a high sales pressure due to the overseas epidemic.

### *Dalian Oasis City Garden*

During the first half of the year, the project in Wafangdian, Dalian was undergoing land merger and planning adjustment and all the work was advanced steadily. Construction is expected to commence in the third quarter, and a demonstration area to be open and sales to be started within the year.

### *Shanghai Masters Mansions Project*

During the Reporting Period, the Lake Malaren Silicon Phase II completed the adjustment on planning indicators and the design optimization, and solved some of the historical issues. Construction commenced in March, and a demonstration area was open in June. The sale is expected to officially start in the third quarter.

### *Changsha Fudi Albany Project*

During the first half of 2021, the phase I project was under construction with planning and construction permits in hand. It is expected that the project will meet pre-sale conditions and be launched for sale in the third quarter.

## Progress of Relocation

### *Shanghai Rich Gate I*

During the first half of 2021, contracts were signed for 964 certificates of households (including certificates of individuals) in aggregate, representing a signing rate of 95.63%, of which 925 certificates of the households were relocated, representing a relocating rate of 91.77%; and contracts were signed for 34 certificates of enterprises, representing a signing rate of 87.18%, of which 24 certificates of the enterprises were relocated, representing a relocating rate of 61.54%. The project planning, adjustment, and expropriation work were effectively promoted.

### *Shanty Town Renovation Project in Zhangjiakou*

During the first half of 2021, the North District demolition was resumed. For this project, 837 households signed contracts, but the remaining 93 households did not, representing a signing rate of approximately 90%. The work for “providing access to water supply, electricity and roads as well as land levelling” has started in the North District.

## Commercial Property Operation

Improving the performance of operating items is fundamental to the operation of commercial properties. During the first half of 2021, under the tough market environment and the continued impact of the pandemic, the Group's commercial properties remained full operations. The Group enhanced the management and operation of its self-owned commercial properties, sorted out states of and difficulties in operations of various properties, utilised its advantages in project synergy and management, adjusted operation strategies when appropriate, and imposed stricter requirements to improve operation benefits.

### *Oasis Central Ring Centre*

As a landmark of the Shanghai Central Ring business district, Oasis Central Ring Centre is designed as a complex eco-business cluster in the form of a circular commercial street connected with office buildings. During the first half of 2021, the Oasis Central Ring Centre operated in an orderly manner with the occupancy rate maintained at 95% and the operating revenue has slightly increased as compared with that of the corresponding period of last year.

### *Shenyang Rich Gate Shopping Mall*

Shenyang Rich Gate Shopping Mall, relying on merchants specialising in children's education and interactions between parents and kids, continued to deepen the positioning of "becoming an alliance of education and catering" while introducing interactive activities related to health and a beautiful life. In doing so, it aims to build an ecosystem for parents and kids. This project started to operate steadily, but operating revenue and profit slipped as compared with the corresponding period of the previous year due to the repeated outbreak of COVID-19 in Shenyang. The overall occupancy rate maintained at 66.82% during the first half of the year. Currently, the project has taken several measures to improve the attraction of merchants, advertising and marketing, collection of rentals, mall operations, and personnel management to increase merchants, enhance operations, and intensify management, with an aim to make breakthroughs in both the occupancy rate and profit margin at the second half of the year.



### *Lake Malaren Golf Course*

Shanghai Lake Malaren Golf Club, a high-level professional golf course in Northern Shanghai, has ranked ninth among the top 100 golf courses in Mainland China and managed to organise club activities and increase several self-services through managerial innovation. Meanwhile, lighting for a night golf course and restaurants in the club were renovated in the first half of the year. With an increased business area and expanded channels of revenue, its revenue and profit remained.

### *Retail Street of Lake Malaren*

With adherence to the positioning of “a new landmark that combines sports, culture and arts, featuring dining and markets at North Shanghai”, Shanghai Lake Malaren Commercial Street has been built on Meilan Lake Town into a symbol of the region with its resources and advantages. Thanks to continuous upgrade and renovation, Shanghai Lake Malaren Commercial Street has attracted a diversity of excellent merchants and keeps increasing popularity through co-marketing and themed activities. Given all these, the overall business outlook and rental efficiency greatly improved at the first half of the year.

## **BUSINESS OUTLOOK**

With the steady promotion of efforts to prevent and control COVID-19 and economic and social development, economic development showed continued resilience. Under the combined efforts of factors such as policies and structural recovery, the Chinese economy continues to embrace a solid and sound growth. The rapid development of China’s real estate market will be driven by the demand for housing owing to the steadily growing national economy, a stable increase in per capita income and urbanisation drive, as well as the demand for better housing thanks to increasingly improved living standards. For the long run, China’s real estate market has huge room for development.

The Group will accomplish the following tasks by leveraging its advantages and continuing its focus on the real estate business at the second half of 2021:

Advance the development of existing projects, revitalise assets, and facilitate sales and payment collection;

Enhance the monitoring and management of key areas and projects to ensure that milestones of projects are completed;

Secure quality projects in a timely manner and seek high quality development based on the capital position and with a focus on the expansion in selected cities, adaptation to changes in market cycles, and product capabilities;

Deepen refined operations, improve management levels, attach importance to talent cultivation, continue the deepening of organisational reconstruction to improve organisational competitiveness and facilitate business development.

### **HUMAN RESOURCES**

As at 30 June 2021, the Group had 416 employees in Hong Kong and Mainland China. Total staff costs of the Group excluding Directors' remuneration, for the six months ended 30 June 2021 amounted to approximately RMB44.79 million. Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employees.

### **MAJOR TRANSACTIONS AND SIGNIFICANT INVESTMENTS DURING THE REPORTING PERIOD**

Save for those disclosed in this Interim Report, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the period under review.

# DISCLOSURE OF INTERESTS AND OTHER INFORMATION

## Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2021, the interests and short positions of the Directors and the chief executives of the Company (the “**Chief Executives**”) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the “**SFO**”), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

### Long position in shares of the Company (the “Shares”) and underlying Shares

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of shareholding
Zhu Qiang (resigned on 19 January 2021)	84,000,000 (Note 1)	–	–	84,000,000	0.41%
Qin Wenying (resigned on 29 April 2021)	84,000,000 (Note 1)	–	–	84,000,000	0.41%
Zhuo Fumin	–	160,000 (Note 2)	–	160,000	0.0008%
Jiang Chuming (resigned on 19 January 2021)	500,000	–	–	500,000	0.0024%

Notes:

- (1) This refers to the underlying Shares covered by share options granted, such options being unlisted physically settled equity derivatives.
- (2) These Shares were held by Madam He Pei Pei, the spouse of Mr. Zhuo Fumin.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2021, none of the Directors or Chief Executive or any of their close associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders' Interests

As at 30 June 2021, so far as is known to any Director or Chief Executive, the following persons, other than a Director or Chief Executive, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

#### Long position in Shares

Name of shareholder	Capacity/Nature of interest	Note	Number of issued ordinary shares (Sub-total)	Approximate percentage of shareholding (Sub-total)	Number of issued ordinary shares (Total)	Approximate percentage of shareholding (Total)
China Minsheng Investment Corp., Ltd.	Interest in controlled corporation	<i>i</i>			15,523,751,128	75.49%
China Minsheng Jiaye Investment Co., Ltd.	Interest in controlled corporation	<i>i</i>			15,523,751,128	75.49%
Jiixin Investment (Shanghai) Co., Ltd.	Interest in controlled corporation	<i>iv</i>			15,523,751,128	75.49%
Jiasheng (Holding) Investment Limited	Interest in controlled corporation	<i>iv</i>			15,389,659,128	74.84%
Jiashun (Holding) Investment Limited	Beneficial owner	<i>iv</i>			15,389,659,128	74.84%
Zhi Tong Investment Limited (Partnership)	Beneficial owner	<i>i, ii, iii</i>			2,022,761,390	9.84%
Jia Yun Investment Limited	Person having a security interest in Shares	<i>vi</i>	866,897,738	4.21%	2,889,659,128	14.05%
	Interest in controlled corporation	<i>ii, iii</i>	2,022,761,390	9.84%		
Shi Jian	Beneficial owner		13,006,991	0.06%	2,902,666,119	14.11%
	Interest in controlled corporation	<i>v</i>	2,889,659,128	14.05%		

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Name of shareholder	Capacity/Nature of interest	Note	Number of issued ordinary shares (Sub-total)	Approximate percentage of shareholding (Sub-total)	Number of issued ordinary shares (Total)	Approximate percentage of shareholding (Total)
Si Xiao Dong	Beneficial owner		2,324	0.00%	2,889,661,452	14.05%
	Interest in controlled corporation	<i>v</i>	2,889,659,128	14.05%		
SRE Investment Holding Limited	Beneficial owner	<i>vi</i>	866,897,738	4.21%	2,889,659,128	14.05%
	Interest in controlled corporation	<i>ii, iii</i>	2,022,761,390	9.84%		
Starite International Limited	Interest in controlled corporation	<i>ii, iii</i>			2,022,761,390	9.84%
Zuo Xin	Nominee for another person (other than a bare trustee)	<i>ii, iii</i>			2,022,761,390	9.84%
Jiabo Investment Limited	Interest in controlled corporation	<i>ii, iii, vi</i>			2,889,659,128	14.05%
Jiazhi Investment Limited	Interest in controlled corporation	<i>ii, iii</i>			2,022,761,390	9.84%

### Notes:

- i. China Minsheng Investment Corp., Ltd. holds a 67.26% direct interest in China Minsheng Jiaye Investment Co., Ltd. Pursuant to Part XV of the SFO, China Minsheng Investment Corp., Ltd. and China Minsheng Jiaye Investment Co., Ltd. are respectively deemed to be interested in the Shares directly held or interested in by (a) Jiashun (Holding) Investment Limited (12,500,000,000 Shares), (b) Zhi Tong Investment Limited Partnership (2,022,761,390 Shares), (c) Jia Yun Investment Limited (866,897,738 Shares) and (d) Jiayou (International) Investment Limited (134,092,000 Shares).
- ii. Jia Yun Investment Limited is held by Jiabo Investment Limited, which is 100% indirectly owned by China Minsheng Jiaye Investment Co., Ltd. Jia Yun Investment Limited holds a 60% direct interest in Jiazhi Investment Limited, which is a general partner of Zhi Tong Investment Limited Partnership. Accordingly, each of Jia Yun Investment Limited and Jiazhi Investment Limited is deemed to be interested in the Shares held by Zhi Tong Investment Limited Partnership under Part XV of the SFO.

The remaining 40% interests in Jiazhi Investment Limited is held by Starite International Limited, which is wholly-owned by Zuo Xin (as a nominee and representative of SRE Investment Holding Limited). Therefore, Starite International Limited, Zuo Xin and SRE Investment Holding Limited are deemed to be interested in the Shares held by Zhi Tong Investment Limited Partnership under Part XV of the SFO.

- iii. These Shares are held by Zhi Tong Investment Limited Partnership. Jiazhi Investment Limited is a general partner of Zhi Tong Investment Limited Partnership and is held as to 60% by Jia Yun Investment Limited and 40% by Starite International Limited. Jia Yun Investment Limited is also a limited partner of Zhi Tong Investment Limited Partnership.

- iv. These Shares are held by Jiashun (Holding) Investment Limited. Jiashun (Holding) Investment Limited is 100% directly owned by Jiasheng (Holding) Investment Limited, which is 100% directly owned by Jiixin Investment (Shanghai) Co., Ltd. A 100% interest in Jiixin Investment (Shanghai) Co., Ltd. is directly owned by China Minsheng Jiaye Investment Co., Ltd., which is, in turn, 67.26% owned by China Minsheng Investment Corp. Ltd. Therefore, according to Part XV of the SFO, Jiasheng (Holding) Investment Limited, Jiixin Investment (Shanghai) Co., Ltd., China Minsheng Jiaye Investment Co., Ltd. and China Minsheng Investment Corp. Ltd. are deemed to be interested in the Shares held by Jiashun (Holding) Investment Limited.
- v. As each of Mr. Shi Jian and Ms. Si Xiao Dong has one-third or more of the voting rights at shareholders' meetings of SRE Investment Holding Limited, they are deemed to be interested in all the Shares interested in by SRE Investment Holding Limited under the SFO.
- vi. The 866,897,738 Shares held by SRE Investment Holding Limited are charged to Jia Yun Investment Limited. SRE Investment Holding Limited retains the voting rights attached to the Shares. China Minsheng Investment Corp., Ltd. has confirmed to the Company that if the enforcement of the share charge will result in the Company failing to meet the public float requirement, China Minsheng Investment Corp., Ltd. will use its best efforts to assist the Company in maintaining or restoring its public float to comply with Rule 8.08(1)(a) of the Listing Rules, such as to sell its Shares in the open market.

Save as disclosed above, as at 30 June 2021, none of the Directors nor the chief executives of the Company were aware of any other person (other than a Director or chief executive of the Company) or corporation who had an interest or short position in the Shares or underlying Shares which were required to be recorded in the register kept by the Company under section 336 of the SFO.

### Sufficiency of Public Float

As at the date of this report, 5,907,700,332 Shares (representing approximately 28.72% of the issued share capital of the Company) were held by the public. Accordingly, the Company is in compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules.

## Share Option Scheme

On 3 June 2016, the Board proposed to adopt a new share option scheme (the “**Scheme**”), which was approved and adopted by the shareholders of the Company on 6 July 2016.

On 14 July 2016 (the “**Date of Grant**”), options to subscribe (the “**Share Options**”) for a total of 1,073,717,976 new Shares were offered to certain Directors and employees of the Group (the “**Grantees**”). The Share Options granted to each Grantee are valid for a period of five years commencing from the Date of Grant and shall be vested in three tranches in accordance with the following vesting dates: (i) 40% of the Share Options granted to each Grantee shall be vested and exercisable from 30 August 2016 to 13 July 2021; (ii) an additional 30% (i.e. up to 70% in total) shall be vested and exercisable from 30 August 2017 to 13 July 2021; and (iii) the remaining 30% (i.e. up to 100% in total) shall be vested and exercisable from 30 August 2018 to 13 July 2021.

The exercise price of the Share Options is HK\$0.2132 per Share, which represents the highest of (i) the closing price of the Shares of HK\$0.212 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing prices of the Shares of HK\$0.2132 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Share, which is HK\$0.10.

The Share Options were granted to the following Directors:

<b>Executive Directors</b>	<b>Number of Share Options Granted</b>
He Binwu ( <i>resigned on 24 October 2017</i> )	160,000,000
Peng Xinkuang ( <i>removed on 29 June 2020</i> )	160,000,000
Zhu Qiang ( <i>resigned on 19 January 2021</i> )	120,000,000
Qin Wenying ( <i>resigned on 29 April 2021</i> )	120,000,000
Chen Donghui ( <i>removed on 29 June 2020</i> )	80,000,000
Chen Chao ( <i>retired on 3 June 2019</i> )	80,000,000
Shi Janson Bing ( <i>resigned on 13 July 2018</i> )	50,000,000

The grant of the Share Options to each of the above Directors has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Save as disclosed above, none of the Grantees is a Director, Chief Executive or substantial shareholder of the Company, or an associate of any of them.

The fair value of options granted during the period determined on the date on which the options were granted using the Binomial valuation model was divided into three tranches according to vesting period, being HK\$7.80 cents per option for options vested on 30 August 2016, HK\$7.99 cents per option for options vested on 30 August 2017 and HK\$8.21 cents per option for options to be vested on 30 August 2018. The significant inputs into the model were closing share price of HK\$0.2120 at the grant date, exercise price shown above, volatility of 46%, dividend yield of nil, an expected option life of 5, 4 and 3 years respectively and an annual risk-free interest rate of 0.69%. The volatility measured at the standard deviation of continuously compounded share returns is based on the average rate of comparable companies. The Binomial valuation model is only one of the commonly used models to estimate the fair value of an option. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

112,800,000 Share Options were cancelled during the six months ended 30 June 2021. 160,000,000 Share Options were lapsed during 2017. 309,115,393 Share Options were lapsed during 2018. 1,400,000 Share Options were lapsed during 2019. 390,002,583 Share Options were lapsed during 2020. The number of outstanding Share Options as at 1 January 2021 and 30 June 2021 were 213,200,000 and 100,400,000 respectively. The remaining 100,400,000 Options expired and were lapsed on 13 July 2021.

The following is a summary of the principal terms of the Scheme:

1. Purpose of the Scheme:

The purpose of the Scheme is to reward the contributions made by any Directors or employees of the Group (the “**Eligible Employees**”), to provide incentive for the Eligible Employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the shareholders of the Company as a whole.

2. Participants of the Scheme:

The Board may at its discretion grant options to the Eligible Employees.



### 3. Grant of option under the Scheme:

An offer of the grant of an option shall be made to an Eligible Employee by letter in such form as the Board may from time to time determine, requiring the Eligible Employee to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Scheme. The offer shall remain open for acceptance for a period of 14 days from the date of grant. Subject to the terms of the offer letter, there shall be no minimum holding period for the vesting or exercise of the options.

An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance as set out in the offer letter. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the Date of Grant.

### 4. Total number of Shares available for issue under the Scheme and percentage of issued share capital as at 30 June 2021:

As at 30 June 2021, the total number of Shares which may be issued under the Scheme must not exceed 2,056,471,372 Shares, representing approximately 10% of the issued share capital of the Company.

### 5. Maximum entitlement of each participant under the Scheme:

Unless approved by the shareholders of the Company in a general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of Shares issued and to be issued to that grantee on exercise of his options (including both exercised and outstanding options) during any 12-month period exceeding 1% of the total Shares then in issue.

### 6. The period within which the options must be exercised under the Scheme:

The period during which an option may be exercised in accordance with the terms of the Scheme (“**Option Period**”) shall be a period of time to be notified by the Board to each grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Date of Grant.

7. The basis of determining the exercise price:

The subscription price per Share payable on the exercise of an option is to be determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Share on the Date of Grant.

8. The remaining life of the Scheme:

Subject to early termination by the Company in a general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years commencing from the date on which the Scheme is deemed to take effect in accordance with its terms, after which time no further options will be granted but the provisions of the Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the Scheme.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2021.

### Change in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors since the disclosure made in the Annual Report 2020 and up to the date of this interim report of the Company are set out below:

<b>Name of Director</b>	<b>Detail(s) of Change</b>
Mr. Xu Ming	He was appointed as executive Director on 29 April 2021.
Ms. Qin Wenying	She resigned as executive Director on 29 April 2021.
Mr. Lu Jianhua	He was appointed as non-executive Director and member of the Investment Committee on 20 July 2021.
Ms. Cheng Liang	She resigned as non-executive Director and member of the Investment Committee on 20 July 2021.

### Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Specific enquiry has been made of all Directors, who have confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2021.

### Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chan Charles Sheung Wai, Mr. Zhuo Fumin, and Mr. Ma Lishan with written terms of reference in compliance with the Listing Rules. Mr. Chan Charles Sheung Wai is the chairman of the Audit Committee. These unaudited condensed consolidated interim results for the six months ended 30 June 2021 have been reviewed by the Audit Committee.

### Corporate Governance

Throughout the six months ended 30 June 2021, the Board has reviewed its corporate governance practices and confirmed that the Company has complied with all principles and code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

## Details of projects under development:

Project	Location	Land Use	GFA (sqm)	Expected Date of Completion	Completion Rate of Construction	Group's Holding Proportion
Jiaxing Project	No. 1 Linghu Road	Phase II Residential	42,662	2021	100%	100%
	Nanhu District, Jiaxing City	Phase II Commercial	10,556	2021	100%	100%
	Zhejiang Province, the PRC	Phase II Facility	2,115	2021	95%	100%
		Phase II Underground	20,029	2021	100%	100%
Shanghai Rich Gate I	Daxing Street, Huangpu District, Shanghai, the PRC	Residential	72,660	2024	0%	51%
		Commercial	9,244	2024	0%	51%
		Office	48,600	2024	0%	51%
		Underground	44,000	2024	0%	51%
Changsha Fudi Albany Project	Pengjia Lane, Laodaoh Street, Kaifu District, Changsha Hunan Province, the PRC	Phase I Residential	153,688	2023	6%	49.5%
		Phase I Commercial	5,528	2023	36%	49.5%
		Phase I Underground	33,613	2023	32%	49.5%
		Phase II Residential	171,805	2025	0%	49.5%
		Phase II Commercial	6,338	2025	0%	49.5%
		Phase II Underground	47,854	2025	0%	49.5%
Dalian Oasis City Garden	West of West Outer Ring Street and South of North Ring Road, Xincheng District, Wafangdian City, Dalian, Liaoning Province, the PRC	Phase I Facility	2,050	2023	0%	51%
		Phase I Residential	85,244	2023	0%	51%
		Phase I Commercial	18,302	2023	0%	51%
		Phase I Underground	22,547	2023	0%	51%
		Phase II Residential	82,399	2024	0%	51%
		Phase II Underground	22,530	2024	0%	51%
		Phase III Residential	43,183	2025	0%	51%
		Phase III Commercial	49,633	2025	0%	51%
		Phase III Underground	27,415	2025	0%	51%
		Phase IV Residential	71,498	2026	0%	51%
		Phase IV Commercial	26,611	2026	0%	51%
		Phase IV Underground	29,653	2026	0%	51%
		Phase V Residential	125,532	2027	0%	51%
		Phase V Underground	33,338	2027	0%	51%

## PROPERTY DETAILS

Project	Location	Land Use	GFA (sqm)	Expected Date of Completion	Completion Rate of Construction	Group's Holding Proportion
Shanghai Malaren World	No.8, Meilanhu Road, Baoshan District,	Phase II Commercial	62,054	2024	25%	72.63%
		Phase II Facility	736	2024	5%	72.63%
	Shanghai, the PRC	Phase II Underground	29,257	2024	35%	72.63%
Shanghai Shengnan International Garden	Yongfa Road, Pudong New District, Shanghai, the PRC	Residential	58,492	Not yet decided	0%	100%
75 Howard	75 Howard Street, San Francisco, the USA	Residential	20,318	2021	92%	65%
		Commercial	456	2021	92%	65%
		Underground	3,306	2021	100%	65%
		Facility	7,063	2021	100%	65%
NAPA	Devlin Road, Napa County, San Francisco, the USA	Hotel	27,247	Not yet decided	0%	79.33%
Romduol	Bourei Muoy Roy Khngang villages, Tuek Thla Commune, Sen Sok District, Phnom Penh City, Cambodia	Phase I Apartment	24,713	2023	53%	100.00%
		Phase I Commercial	1,797	2023	53%	100.00%
		Phase I Facility	2,668	2023	53%	100.00%
		Phase II Apartment	61,884	Not yet decided	0%	100.00%
		Phase II Commercial	4,057	Not yet decided	0%	100.00%
		Phase II Facility	2,956	Not yet decided	0%	100.00%
		Phase II Garage	18,785	Not yet decided	0%	100.00%
		Phase II Club	415	Not yet decided	0%	100.00%

## Details of completed investment properties:

Project	Location	Land Use	GFA (sqm)	Group's Holding Proportion
Shenyang Rich Gate	No.118, Harbin Road, Shenhe District, Shenyang City, Liaoning Province, the PRC	Commercial	245,252	100%
Oasis Central Ring Centre	No. 915, Zhenbei Road, Putuo District, Shanghai, the PRC	Retail	1,782	97%
Oasis Central Ring Centre	Lane 1628, Jinshajiang Road, Putuo District, Shanghai, the PRC	Retail	32,566	97%
Oasis Central Ring Centre	No. 1678, Jinshajiang Road, Putuo District, Shanghai, the PRC	Retail	6,499	97%
Oasis Central Ring Centre	Lane 1628, Jinshajiang Road, Putuo District, Shanghai, the PRC	Car Park	57,045	97%
Oasis Central Ring Centre	No. 1678, Jinshajiang Road, Putuo District, Shanghai, the PRC	Car Park	4,048	97%
Transportation Hub of Lake Malaren	No. 1088, Luofen Road, Baoshan District, Shanghai, the PRC	Commercial	29,398	72.63%
Retail Street of Lake Malaren	Lane 989, Luofen Road and Lane 555, Luofen Road, Baoshan District, Shanghai, the PRC	Commercial	72,943	72.63%

## Board of Directors

### Executive Directors

Hong Zhihua (*Chairman*)

Kong Yong (*Acting Chief Executive Officer*)

(*appointed on 19 January 2021*)

Zhu Qiang (*Acting Chief Executive Officer*)

(*resigned on 19 January 2021*)

Xu Ming (*appointed on 29 April 2021*)

Qin Wenying (*resigned on 29 April 2021*)

Jiang Qi

Jiang Chuming (*resigned on 19 January 2021*)

### Non-executive Directors

Cheng Liang (*appointed on 19 January 2021*

*and resigned on 20 July 2021*)

Lu Jianhua (*appointed on 20 July 2021*)

Luo Guorong (*appointed on 19 January 2021*)

### Independent non-executive Directors

Zhuo Fumin

Chan, Charles Sheung Wai

Ma Lishan

## Authorized Representatives

Hong Zhihua

Kong Yong

## Company Secretary

Chu Hoe Tin

## Principal Place of Business in Hong Kong

11/F, Admiralty Centre Tower 2

18 Harcourt Road Admiralty

Hong Kong

## Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

## Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08, Bermuda

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited

Level 54, Hopewell Centre

183 Queen's Road East Hong Kong

## Legal Adviser

Norton Rose Fulbright Hong Kong

## Auditor

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

## Principal Bankers

Hong Kong: Agricultural Bank of China  
China CITIC Bank  
International Limited

PRC: Industrial and Commercial  
Bank of China  
Agricultural Bank of China  
China Construction Bank  
Shanghai Pudong  
Development Bank  
Xiamen International Bank  
China Minsheng Bank  
China Merchants Bank

## Stock Code

1207

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