Zhenro Properties Group Limited
正榮地產集團有限公司
(Incorporated in Cayman Islands with limited liability)
(Stock code: 6158)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2018

INTERIM RESULTS HIGHLIGHTS

- Contracted sales for the period ended June 30, 2018 was RMB58,129.4 million, an increase of 170.3% as compared to RMB21,507.9 million for the six months ended June 30, 2017
- Revenue for the six months ended June 30, 2018 was RMB12,314.6 million, an increase of 52.3% as compared to RMB8,085.2 million for the six months ended June 30, 2017
- Gross profit for the six months ended June 30, 2018 was RMB2,714.4 million, an increase of approximately 61.1% as compared to RMB1,685.3 million for the six months ended June 30, 2017
- Profit for the period attributable to owners of the Company for the six months ended June 30, 2018 was RMB840.4 million, an increase of 171.9% as compared to RMB309.1 million for the six months ended June 30, 2017
- Net gearing ratio improved to 171.8% as of June 30, 2018 from 183.2% as of December 31, 2017

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Zhenro Properties Group Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2018 together with the audited comparative figures for the corresponding period in 2017 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2018

		Six months ended 30 June	
	Notes	**2018**	2017
		RMB'000	RMB'000
		(Unaudited)	**(Audited)**
REVENUE	5	**12,314,646**	8,085,246
Cost of sales		**(9,600,262)**	(6,399,933)
GROSS PROFIT		**2,714,384**	1,685,313
Finance income		**116,540**	58,288
Other income and gains	5	**35,299**	5,459
Selling and distribution expenses		**(321,978)**	(284,894)
Administrative expenses		**(511,109)**	(263,840)
Other expenses		**(14,514)**	(9,529)
Fair value gains on investment properties		**98,047**	49,555
Net fair value gains from financial assets at fair value through profit or loss		**27,594**	—
Finance costs	6	**(191,453)**	(251,657)
Share of losses of:			
Joint ventures		**(27,291)**	(17,927)
Associates		**(56,876)**	(214)
PROFIT BEFORE TAX		**1,868,643**	970,554
Income tax expense	7	**(911,465)**	(593,965)
PROFIT FOR THE PERIOD		**957,178**	376,589

		Six months ended 30 June	
	Notes	**2018**	2017
		RMB'000	RMB'000
		(Unaudited)	**(Audited)**
Attributable to:			
Owners of the parent		**840,364**	309,120
Non-controlling interests		**116,814**	67,469
		957,178	376,589
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	**RMB0.21**	RMB0.10

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
PROFIT FOR THE PERIOD	**957,178**	376,589
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(78,448)**	—
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(78,448)**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(78,448)**	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**878,730**	376,589
Attributable to:		
Owners of the parent	**761,916**	309,120
Non-controlling interests	**116,814**	67,469
	878,730	376,589

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Notes	**30 June 2018 RMB'000 (Unaudited)**	31 December 2017 RMB'000 **(Audited)**
NON-CURRENT ASSETS			
Property, plant and equipment		**76,160**	74,702
Investment properties		**9,073,000**	8,542,700
Prepaid land lease payments		**125,360**	125,360
Other intangible assets		**7,003**	7,130
Financial assets at fair value through profit or loss		**537,842**	—
Investments in joint ventures		**1,457,161**	1,404,370
Investments in associates		**1,227,071**	207,587
Deferred tax assets		**1,305,461**	1,059,807
Total non-current assets		**13,809,058**	11,421,656

	Notes	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
CURRENT ASSETS			
Available-for-sale investment		—	5,000
Financial assets at fair value through profit or loss		**51,875**	—
Properties under development		**47,121,258**	40,802,768
Completed properties held for sale		**13,879,485**	16,103,145
Trade receivables	10	**9,106**	15,605
Due from related companies		**3,898,828**	2,677,975
Prepaid land lease payments		**6,650,452**	2,926,996
Prepayments, deposits and other receivables		**16,228,292**	11,815,558
Tax recoverable		**1,081,792**	986,699
Restricted cash		**5,199,521**	3,931,480
Pledged deposits		**839,749**	1,195,303
Cash and cash equivalents		**14,797,864**	14,539,485
Total current assets		**109,758,222**	95,000,014
CURRENT LIABILITIES			
Trade and bills payables	11	**5,680,073**	5,539,852
Other payables, deposits received and accruals		**5,994,448**	4,471,244
Advances from customers		—	39,324,143
Contract liabilities		**40,582,517**	—
Due to related companies		**3,046,579**	801,280
Interest-bearing bank loans and other borrowings		**23,156,623**	20,981,757
Senior notes		**1,034,915**	—
Corporate bond		**2,072,918**	2,002,359
Tax payable		**1,700,529**	1,429,557
Total current liabilities		**83,268,602**	74,550,192
NET CURRENT ASSETS		**26,489,620**	20,449,822
TOTAL ASSETS LESS CURRENT LIABILITIES		**40,298,678**	31,871,478

	Notes	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings		**19,163,366**	19,079,421
Senior notes		**1,607,280**	—
Receipts under a securitisation arrangement		**2,289,151**	—
Deferred tax liabilities		**657,902**	567,756
Total non-current liabilities		**23,717,699**	19,647,177
NET ASSETS		**16,580,979**	12,224,301
EQUITY			
Equity attributable to owners of the parent			
Share capital		**265**	3
Reserves		**12,090,734**	8,178,781
		12,090,999	8,178,784
Non-controlling interests		**4,489,980**	4,045,517
TOTAL EQUITY		**16,580,979**	12,224,301

NOTES TO UNAUDITED INTERIM FINANCIAL INFORMATION
For the six months ended June 30, 2018

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on January 16, 2018.

The Company is an investment holding company. During the six months ended June 30, 2018, the Group is principally engaged in property development, property leasing and commercial property management.

2. BASIS OF PREPARATION

The interim financial information for the six months ended June 30, 2018 has been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "IASB").

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2017.

All intra-group transactions and balances have been eliminated on combination in full.

3. SIGNIFICANT ACCOUNTING POLICIES

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 consolidated financial statements for the year ended December 31, 2017, except for the adoption of new and revised standards effective as of January 1, 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted the following new and revised IFRSs for the first time in these interim condensed consolidated financial statements.

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
Amendments to IAS 40	*Transfers of Investment Property*
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 and IAS 28

The Group has applied, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* that require restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

The other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 ***Revenue from Contracts with Customers***

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group has adopted IFRS 15 using the modified retrospective method of adoption and it has elected to apply that method to only those contracts that were not completed at the date of initial application. The comparative information for each of the primary financial statements has been presented based on the requirements of IAS 18 and related interpretations, and thus the comparative figures have not been restated.

The Group mainly engages in the businesses of property development, property leasing and commercial property management. The effects of the adoption of IFRS 15 are further explained below:

Property development activities

In prior reporting periods, revenue from the sale of completed properties is recognised upon the signing of the property handover letter, which is taken to be the point in time when the risks and rewards of ownership of the property have been passed to the buyer, not continuously recognised based on construction progresses.

Under IFRS 15, for properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to purchasers of properties is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued or properties are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The excess of cumulative billings to purchasers of properties over the cumulative revenue recognised in profit or loss is recognised as contract liabilities. The contract liabilities are recognised as revenue when the Group satisfies its performance obligations.

For the six months ended June 30, 2018, the Group has assessed that there is an enforceable right to payment from the customers for performance completed to date for a few properties. For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has the present right to payment and the collection of the consideration is probable. Thus, the Group has concluded that the adoption of IFRS 15 did not have a material impact on the timing of revenue recognition.

For contracts where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price and the amount of revenue from the sales of completed properties are adjusted for the effects of a financing component, if significant. For the six months ended June 30, 2018, the Group has assessed that the financing component effect is significant.

Under IFRS 15, proceeds from customers of pre-sold properties, which were previously presented as receipt in advance from customers included in "Advances from customers", are recorded as "contract liabilities" before the relevant sale revenue is recognised.

Property management service income

Under IFRS 15, property management service income derived from the provision of property maintenance and management services is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

The Group has adopted IFRS 15 using the modified retrospective method of adoption as at January 1, 2018. The effect of adopting IFRS 15 is as follows:

	Adjustments
	RMB'000
Assets	
Deferred tax assets	12,150
Total non-current assets	12,150
Properties under development	651,846
Total current assets	651,846
Total assets	663,996
Liabilities	
Advances from customers	39,324,143
Contract liabilities	(40,024,590)
Total current liabilities	(700,447)
Total non-current liabilities	—
Total liabilities	(700,447)
Equity	
Reserves	36,451
Total equity	36,451

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after January 1, 2018.The standard introduces new requirements for classification and measurement and impairment.

Classification and measurement

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI" criterion).

The new classification and measurement of the Group's financial assets are as follows:

(a) Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables, amounts due from related companies and financial assets included in prepayments, deposits and other receivables.

(b) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group has classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as available-for-sale investments.

(c) Financial assets at FVPL include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under IAS 39, the Group's debt instruments were classified as available-for-sale investments.

Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

The Group has types of financial assets subject to IFRS 9's new expected credit loss model: trade receivables, financial assets included in prepayments, deposits and other receivables, amounts due from related companies, restricted cash, pledged deposits and cash and cash equivalents.

For trade receivables, the Group has applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of trade receivables.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost including other receivables, and with the exposure arising from financial guarantee contracts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group has applied IFRS 9, effective for the period beginning on January 1, 2018. The Group has not restated financial information for the year ended December 31, 2017 for financial instruments in the scope of IFRS 9.

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of January 1, 2018 is as follows:

In RMB'000		**IAS 39 measurement**		**Re-**	**Remeasurement**		**IFRS 9 measurement**	
Financial assets	**Ref**	**Category**	**Amount**	**Classification**	**ECL**	**Other**	**Amount**	**Category**
Due from related companies		L&R*	2,677,975	—	—	—	2,677,975	AC**
Trade receivables		L&R	15,605	—	—	—	15,605	AC
Financial assets included in prepayments, deposits and other receivables		L&R	567,607	—		—	567,607	AC
Restricted cash		L&R	3,931,480	—	—	—	3,931,480	AC
Pledged deposits		L&R	1,195,303	—	—	—	1,195,303	AC
Cash and cash equivalents		L&R	14,539,485	—	—	—	14,539,485	AC
		—						
		L&R	22,927,455	—		—	22,927,455	AC
Financial investments								
- Available-for-sale investments (AFS)			5,000	(5,000)	—	—	N/A	
To: Financial asset at FVPL	*A****			*(5,000)*				
		AFS	5,000	(5,000)		—	N/A	
Financial assets at FVPL			N/A	5,000	—	—	5,000	FVPL
From: Financial investments - AFS	*A*			*5,000*		—	*5,000*	
			N/A	5,000		—	5,000	FVPL
Trade payables		AC	5,539,852	—	—	—	5,539,852	AC
Financial liabilities included in other payables, deposits received and accruals		AC	1,075,316	—	—	—	1,075,316	AC
Due to related companies		AC	801,280	—	—	—	801,280	AC
Corporate bond		AC	2,002,359	—	—	—	2,002,359	AC
Interest-bearing bank and other borrowings		AC	40,061,178	—	—	—	40,061,178	AC
		AC	49,479,985	—	—	—	49,479,985	AC

* L&R: Loans and receivables

** AC: Amortised cost

*** A: As at January 1, 2018, the Group classified its AFS as financial assets at FVPL as these financial instruments were held for trading.

There was no significant impact by replacing the aggregate opening loan loss provision allowances under IAS 39 with ECL allowances under IFRS 9 on financial instruments as at January 1, 2018.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and leasing and commercial property management by project locations for the purpose of making decisions about resource allocation and performance assessment, and no single location's revenue, net profit or total assets exceeds 10% of the Group's combined revenue, net profit or total assets. As all the locations have similar economic characteristics and are similar in the nature of property development and leasing and management, the nature of the aforementioned business processes, the type or class of customer for the aforementioned business and the methods used to distribute the properties or provide the services, all locations were aggregated as one reportable operating segment.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the six months ended June 30, 2018 and 2017.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of properties, property management service income, and rental income for the six months ended June 30, 2018.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Revenue		
Sale of properties	**12,224,314**	8,037,186
Rental income	**46,875**	33,696
Property management service income	**40,262**	14,364
Others	**3,195**	—
	12,314,646	8,085,246

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Represented by:		
Revenue from sale of properties:		
Recognised at a point in time	**12,224,314**	8,037,186
Revenue from property management services and others:		
Recognised over time	**43,457**	14,364
Revenue from other sources:		
Rental income	**46,875**	33,696
	12,314,646	8,085,246

Other income and gains

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Exchange gain	**18,480**	—
Disposal of subsidiaries	**5,270**	—
Forfeiture of deposits	**5,092**	3,770
Gain on bargain purchase	**3,734**	—
Gain on disposal of items of property, plant and equipment	**191**	312
Others	**2,532**	1,377
	35,299	5,459

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Interest on bank loans and other borrowings, corporate bonds, senior notes and receipts under a securitisation arrangement	**1,721,065**	1,462,861
Interest from significant financing components of contract liabilities	**554,255**	—
Less: Interest capitalised	**(2,083,867)**	(1,211,204)
	191,453	251,657

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income currently arising in Hong Kong for the six months ended June 30, 2018.

Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax rate of 25%.

Land appreciation tax ("**LAT**") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Current tax:		
Corporate income tax	**671,902**	369,760
LAT	**490,937**	338,713
Deferred tax	**(251,374)**	(114,508)
Total tax charge for the period	**911,465**	593,965

A reconciliation of income tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for the six months ended June 30, 2018 and 2017 is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Profit before tax	**1,868,643**	970,554
At the statutory income tax rate	**467,161**	242,639
Profits and losses attributable to joint ventures and associates	**21,042**	4,535
Expenses not deductible for tax	**8,130**	6,885
Tax losses and deductible temporary differences utilised from previous years	**(51,390)**	(46,609)
Deductible temporary differences not recognised	**31,680**	57,236
Tax losses not recognised	**66,639**	75,244
Provision for LAT	**490,937**	338,713
Tax effect on LAT	**(122,734)**	(84,678)
Tax charge for the period	**911,465**	593,965

8. DIVIDENDS

The proposed 2017 final dividend of HK10.00 cents (equivalent to approximately RMB 8.00 cents) per share, totalling HK$412,300,000 (equivalent to approximately RMB329,918,000), was approved by the Company's shareholders at the 2018 annual general meeting on May 18, 2018. It was recorded in "other payables, deposits received and accruals" in the interim condensed consolidated statement of financial position and was subsequently distributed in July 2018.

The Board has resolved not to pay an interim dividend for the six months ended June 30, 2018 (six months ended 30 June 2017: nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 4,014,983,425 in issue during the six months ended June 30, 2018 (six months ended 30 June 2017: 2,999,950,001).

No adjustment has been made to the basic earnings per share amounts presented for the six months ended June 30, 2018 and 2017 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended June 30, 2018 and 2017.

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	**(Audited)**
Earnings		
Profit attributable to ordinary equity holders of the parent entity	**840,364**	309,120
Shares		
Weighted average number of ordinary shares outstanding (thousand)	**4,014,983**	2,999,950
Earnings per share		
Basic and diluted	**RMB0.21**	RMB0.10

10. TRADE RECEIVABLES

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 **(Audited)**
Trade receivables	**9,106**	15,605
Impairment	**—**	—
	9,106	15,605

Trade receivables mainly represent rentals receivable from tenants. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values. An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 **(Audited)**
Less than 1 year	**6,905**	11,693
Over 1 year	**2,201**	3,912
	9,106	15,605

Receivables that were not past due relate to a large number of diversified customers for whom there was no recent history of default.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rate of trade receivables is assessed to be 0.1%. Based on evaluation on the expected loss rate and the gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is immaterial and therefore there has not been a loss allowance provision.

11. TRADE AND BILLS PAYABLES

An aging analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date is as follows:

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 **(Audited)**
Less than 1 year	**5,582,476**	5,461,411
Over 1 year	**97,597**	78,441
	5,680,073	5,539,852

Trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present you the business review and outlook of the Group for the six months ended June 30, 2018.

RESULTS

From January to June 2018, the contracted sales of the Group reached RMB58.1 billion, representing a 170.3% increase, compared with the same period of last year. With the rapid growth of scale, the Group has reached over half of the one hundred billion contract sales goal. The turnover was RMB12.3 billion, representing a year-on-year increase of 52.3%. The gross profit for the six months ended June 30, 2018 was RMB2.7 billion. The profit for the period attributable to owners of the Company was RMB0.8 billion, representing a year-on-year increase of 171.9%. The net gearing ratio as of June 30, 2018 also improved to 171.8% compared with 183.2% as of December 31, 2017. The board of directors has resolved not to distribute interim dividend for the six months ended June 30, 2018.

Since the beginning of the year, with the overall liquidity shortage in the industry, the outlook indicator has declined, while the housing prices in certain cities have increased significantly, leading to enhanced controls, including increase in the number of cities being placed under "four restrictions" (restrictions of sales, loans, prices and purchase), including extension of the sale restriction period, a halt to purchase of properties by enterprises in hot spots, increase in down payments and tightening of industry regulation by seven ministries and commissions, along with the withdrawal of implementation of "renovation of shanty towns" starting in cities with a low stock of properties for sale.

In an overall tightening environment and an industry decline, the Group took advantage of the "micro prosperity", with its focus on first and second-tier cities, establishing layout for extensive exploration in city agglomeration, and the product orientation of "home upgrade master".

In the first half of the year, there was a growth in results of brand real estate enterprises generally, with a great demand in the land market, but land prices in the first and second-tier core cities were lower as compared with previous periods. This helped the Company further focus on the first and second-tier cities in due course, thus laying a foundation for sustainable growth in results in the future. The Company had a clear strategy, which was effectively implemented. Meanwhile, it focused on use of multiple strategies and strictly controlled land costs. During the six months ended June 30, 2018, it additionally acquired 33 parcels of land, with an average floor area price of RMB4,843 per m^2, thus expanding its businesses to regions including Western Region (西部區域) and Pearl River Delta Region (珠三角區域).

After listing, the Group gradually secured financing channels in the capital market. In the first half of the year, the Group entered the USD bond market, successfully issuing bonds of US$410 million, which were popular among investors even under uncertain external environment. The ability of the Group to finance through multiple channels at a low cost was further enhanced.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the first half of the year, in spite of strict policy control, the Group believed that the real estate industry in China was highly resilient, so the role of real estate as a pillar in China would not be changed in the next few years. The policy control is conducive to long-term and steady development of the industry and to the enterprises which operate steadily and are committed to sustainable development. Urbanization in China was developing rapidly. The supply of upgraded housing was low, compared with the stock in cities and the upgrade demands of the increased population. With the brand position of upgraded housing development as the focus on the demands of mid-to-high end upgraders, the Group has built three benchmark product brands, which are highly competitive in the market, namely "Zhenro Mansion (正榮府)", "The Pinnacle (紫闕台)" and "Habitat (雲麓)", respectively responding to functional demand for space, cultural quality demand for residence and lifestyle demand for natural resources.

With the increase in the amount recovered from sales and the increasingly mature operation capacity in three product lines of commercial property of the Group, namely Zhenro Center ("正榮中心"), Times Plaza ("時代廣場") and Zhenro Street ("正榮街"), the Group will continue to make progress in the second half of the year in terms of commercial property, with new commercial benchmark projects in Nanjing. Meanwhile, the Group will continue to actively explore the community-based self-operated business model, and will create a convenient and wonderful community life with focus on residential projects while enriching its commercial product range.

With the emphasis of the Party Central Committee on the residential use of housing, developing the housing rental market becomes part of the long-term mechanism. The housing rental market enters a new stage of scale development. "Rongyu (榮遇)", a long-term rental apartment brand of the Group, is expected to be launched in the second half of the year, with existing urban layout and brand advantages of the Group.

The real estate industry reaches a crucial point for reform, against the backdrop of changing external environment, generational and lifestyle change in groups of real estate consumers, and urban population development and population migration in urbanization. Over the years, the Group has achieved recognition by the real estate industry and capital market, with its integrity, quality and responsibility. We continuously enhance our ability, capital and talent pool, and focus on size and more on profitability. We strive to seize opportunities to achieve sustainable development.

APPRECIATION

Finally, on behalf of the Board, I would like to express our sincere appreciation to all shareholders for their support, and all employees for their dedication and hard work in the past year. We will continue to uphold our core value of "prosperity from integrity" and achieve a sustainable and healthy growth, so as to bring our shareholders economic returns and develop ourselves into a respectful and sustainable competitive enterprise.

Zhenro Properties Group Limited
HUANG Xianzhi
Chairman

Shanghai, China
August 27, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	Six Months Ended June 30, 2018	2017	Year-over-Year Change
Contracted sales[(1)]			
Contracted sales (RMB million)	58,129	21,508	170.3%
Contracted GFA sold (sq.m.)	3,384,534	1,150,463	194.2%
Contracted ASP (RMB/sq.m.)	17,175	18,695	-8.1%
Selected financial information (RMB million)			
Revenue	12,315	8,085	52.3%
Cost of sales	9,600	6,400	50.0%
Gross profit	2,714	1,685	61.1%
Profit before income tax	1,869	971	92.5%
Profit for the period	957	377	154.2%
Attributable to:			
Owners of the Company	840	309	171.9%
Non-controlling interest	117	67	73.1%
Gross profit margin (%)	22.0%	20.8%	
Core net profit[(2)]	863	339	154.2%

	As of June 30, 2018	As of December 31, 2017	Year-over-Year Change
Total assets (RMB million)	123,567	106,422	16.1%
Total liabilities (RMB million)	106,986	94,198	13.6%
Total equity (RMB million)	16,581	12,224	35.6%
Equity attributable to owners of the Company (RMB million)	12,091	8,179	47.8%
Current ratio[(3)]	1.3	1.3	
Net gearing ratio[(4)]	171.8%	183.2%	

Notes:

(1) Includes contracted sales by the Group's subsidiaries, joint ventures and associated companies. Contracted sales data is unaudited and is based on internal information of the Group. Contracted sales data may be subject to various uncertainties during the process of collating such sales information and is provided for investors' reference only.

(2) Defined as net profit excludes fair value gains/losses and net of deferred taxes.

(3) Current ratio equals to current assets divided by current liabilities as of the end of the period.

(4) Net gearing ratio equals to total borrowings less cash and bank balances divided by total equity as of the end of the period and multiplied by 100.

PROPERTY DEVELOPMENT

Contracted Sales

For the six months ended June 30, 2018, the Group recorded contracted sales of RMB58,129.4 million, representing an increase of approximately 170.3% from RMB21,507.9 million for the six months ended June 30, 2017, which was primarily due to the increase in salable GFA accumulated by the Group in first- and second-tier cities in the past several years by executing the Group's development strategies.

For the six months ended June 30, 2018, total contracted GFA sold amounted to approximately 3.4 million sq.m., representing an increase of approximately 194.2% from approximately 1.2 million sq.m. for the six months ended June 30, 2017. Contracted average selling price ("**ASP**") for the six months ended June 30, 2018 was approximately RMB17,175 per sq.m., compared with RMB18,695 per sq.m. for the six months ended June 30, 2017. The decrease was primarily due to the increase in the proportion of GFA with a relatively lower ASP among total contracted GFA in 2018.

Contracted sales from Yangtze River Delta Economic Region, Western Taiwan Straits Economic Zone, Middle China Economic Region, Bohai Economic Rim and West China Economic Region contributed to approximately 58.6%, 27.3%, 9.5%, 3.4% and 1.2%, respectively, of the Group's total contracted sales in the first half of 2018.

The following table sets out the geographic breakdown of the Group's contracted sales in 2018.

	Contracted GFA Sold	Contracted Sales	Contracted ASP	% of Contracted Sales
	sq.m.	*RMB'000*	*RMB/sq.m.*	*%*
Yangtze River Delta Economic Region	1,877,982	34,081,757	18,148	58.6%
Western Taiwan Straits Economic Zone	1,026,267	15,853,860	15,448	27.3%
Middle China Economic Region	357,131	5,525,253	15,471	9.5%
Bohai Economic Rim	75,392	1,990,340	26,400	3.4%
West China Economic Region	47,762	678,225	14,200	1.2%
Total	3,384,534	58,129,435	17,175	100.0%

Contract liabilities amounted to approximately RMB40,582.5 million as of June 30, 2018, representing an increase of 3.2% from approximately RMB39,324.1 million as of December 31, 2017. Such contract liabilities represents the proceeds received from customers in connection with our pre-sale of properties, which formed a solid basis for the Group's future growth in recognized revenue.

Revenue Recognized from Sales of Properties

Revenue recognized from sales of properties increased by approximately 52.1% from RMB8,037.2 million for the six months ended June 30, 2017 to RMB12,224.3 million for the six months ended June 30, 2018, accounting for 99.3% of the Group's total revenue. Total completed and delivered GFA amounted to 0.8 million sq.m. in the six months ended June 30, 2018, representing an increase of 6.1% from the six months ended June 30, 2017. The Group's recognized ASP from sales of properties was approximately RMB15,625 per sq.m. in the six months ended June 30, 2018, representing an increase of 43.4% from RMB10,898 per sq.m. in the six months ended June 30, 2017, primarily due to the Group's further penetration in Yangtze River Delta Economic Region and Bohai Economic Rim, where prevailing market prices of properties are relatively higher.

The increase in revenue recognized from sales of properties was primarily due to (i) more GFA completed and delivered as a result of the Group's continuing expansion, and (ii) an overall increase in the ASP recognized in 2018.

During the six months ended June 30, 2018, the properties delivered by the Group included Nanjing Zhenro Splendid Land (南京正榮•潤錦城), Nanjing Zhenro Royal Fame (南京正榮•潤峰) and Shanghai Zhenro Royal Kingdom Phase (上海正榮•國領) and others. The following table sets forth the details of the revenue recognized from the sales of properties of the Group by geographical location for the periods indicated.

	Recognized Revenue from Sales of Properties		% of Recognized Revenue from Sale of Properties		Total GFA Delivered		Recognized ASP	
	RMB'000	*RMB'000*	*%*	*%*	*sq.m.*	*sq.m.*	*RMB/Sq.m.*	*RMB/Sq.m.*
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Yangtze River Delta Economic Region	9,384,906	3,109,119	76.8	38.6	458,116	151,320	20,486	20,547
Western Taiwan Straits Economic Zone	2,180,619	3,509,251	17.8	43.7	215,215	413,491	10,132	8,487
Middle China Economic Region	539,544	383,941	4.4	4.8	102,927	71,044	5,242	5,404
Bohai Economic Rim	93,434	1,034,875	0.8	12.9	3,994	101,667	23,392	10,179
West China Economic Region	25,811	—	0.2	—	2,097	—	12,307	—
Total	12,224,314	8,037,186	100.0	100.0	782,349	737,522	15,625	10,898

Completed Properties Held for Sale

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As of June 30, 2018, the Group had completed properties held for sale of RMB13,879.5 million, representing a decrease of 13.8% from RMB16,103.1 million as of December 31, 2017. The decrease was primarily due to the decreased number of completed properties in 2018. The Group has obtained the construction completion certificates in respect of all completed properties held for sale.

Properties Under Development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As of June 30, 2018, the Group had properties under development of RMB47,121.3 million, representing an increase of 15.5% from RMB40,802.8 million as of December 31, 2017. The increase was primarily because the Group continued to accelerate its property development activities which resulted in an increase in properties under development in 2018.

PROPERTY INVESTMENT

Rental Income

The Group's rental income for the six months ended June 30, 2018 was approximately RMB46.9 million, representing an increase of 39.1% from the six months ended June 30, 2017. The increase was primarily due to the continued growth of our investment properties completed and put in operation, in particular, the commencement of operation of Changsha Zhenro Fortune Center in late 2017.

Investment Properties

As of June 30, 2018, the Group had 11 investment properties with a total GFA of approximately 799,971 sq.m. Out of such investment properties portfolio of the Group, 6 investment properties with a total GFA of approximately 466,639 sq.m. had commenced leasing.

LAND BANK

In 2018, the Group continued its nationwide expansion and entered into six new cities. It acquired a total of 33 new land parcels with a total site area of approximately 2.2 million sq.m. and an aggregate estimated GFA of approximately 5.9 million sq.m. The following table sets forth details of the Group's newly acquired land parcels during the six months ended June 30, 2018.

PROPERTIES DEVELOPED BY THE GROUP AND ITS SUBSIDIARIES

City	Land Parcel/Project Name	Land Use	Site Area	Estimated Total GFA	Land Premium	Average Land Cost (Based on the Estimated Total GFA)
			sq.m.	*sq.m.*	*RMB million*	*RMB/sq.m.*
Yangtze River Delta Economic Region						
Jiaxing	Jiaxing Zhenro Country Garden Yue Mansion	Residential/retail	7,342	16,574	38	2,279
Middle China Economic Region						
Zhengzhou	Zhengzhou Chengnan Zhenro Mansion	Residential	212,099	670,738	900	1,342
Changsha	Changsha Zhenro Pinnacle	Residential/retail	20,275	216,671	768	3,544
Western Taiwan Straits Economic Zone						
Fuzhou	Fuqing No. 2018-02	Residential/retail	68,079	207,859	1,008	4,849
Fuzhou	Fuqing No. 2018-03	Residential/retail	64,728	198,936	900	4,524
Pingtan	Pingtan Lanwan Zhenro Mansion	Residential/retail	55,161	197,394	1,163	5,892
Ji’an	Ji’an Country Garden Zhenro Lulin Mansion	Residential/retail	74,388	193,387	739	3,823
Ji’an	Ji’an Country Garden Zhenro Lulin Mansion Phase 2	Residential/retail	78,938	193,236	776	4,014
Subtotal			581,010	1,894,794	6,291	3,320

PROPERTIES DEVELOPED BY THE GROUP'S JOINT VENTURES AND ASSOCIATED COMPANIES

City	Land Parcel/Project Name	Land Use	Site Area	Estimated Total GFA	Land Premium	Average Land Cost (Based on the Estimated Total GFA)	Attributable Interest
			sq.m.	*sq.m.*	*RMB million*	*RMB/ sq.m.*	
Yangtze River Delta Economic Region							
Jiaxing	Jiaxing Cifi Light Blooming Land	Residential/retail	58,321	148,409	875	5,895	25.0%
Jiaxing	Jiaxing Shimao Shining Times	Residential/retail	67,291	202,686	1,351	6,665	30.0%
Nanjing	Nanjing Long Yue	Residential	35,051	113,632	1,340	11,792	33.0%
Nanjing	Nanjing Zhaoshang Zhenro East Forwarding Mansion	Residential/retail	90,981	318,279	2,240	7,038	49.0%
Chuzhou	Chuzhou Hongyang Times Billow Courtyard	Residential/retail	89,886	225,975	466	2,062	30.0%
Xuzhou	Xuzhou Splendid Mountain Mansion Parcel 34	Residential/retail	60,584	111,024	347	3,123	33.0%
Xuzhou	Xuzhou Splendid Mountain Mansion Parcel 35	Residential/retail	86,948	157,192	572	3,641	33.0%
Suzhou	Suzhou Shanghu Masterpiece Garden	Residential/retail	46,004	119,180	803	6,741	33.0%
Suzhou	Suzhou River City Fountainhead Garden	Residential/retail	69,982	122,187	399	3,269	13.0%
Suzhou	Suzhou Sea Times Garden	Residential/retail	69,206	186,396	590	3,163	14.5%
Suzhou	Suzhou Lake Yue Billow Courtyard	Residential/retail	59,235	158,869	366	2,305	16.3%
Suzhou	Suzhou Flavour Yue Four Seasons Garden	Residential/retail	56,479	123,795	361	2,914	20.0%
Suzhou	Suzhou Platinum Jade Mansion	Residential/retail	36,748	85,647	829	9,683	16.7%
Suzhou	Suzhou Girty Celebrity	Residential/retail	131,418	240,548	2,116	8,797	33.3%
Middle China Economic Region							
Xuchang	Xuchang Sky Yue Mansion	Residential/retail	20,994	61,000	187	3,071	33.3%
Xiangyang	Xiangyang Changtou Zhenro Mansion	Residential/retail	68,554	270,205	850	3,147	49.0%
Bohai Economic Rim							
Tianjin	Tianjin Heshan Garden Parcel 41	Residential	50,458	101,069	553	5,472	50.0%
Tianjin	Tianjin Heshan Garden Parcel 39	Residential	25,428	51,862	270	5,206	50.0%
Tianjin	Tianjin Heshan Garden Parcel 38	Residential	38,606	75,333	423	5,615	50.0%
Tianjin	Tianjin Jiuhe Mansion	Residential/retail	52,482	242,060	3,520	14,542	18.0%
Jinan	Jinan Jiu Long Mansion	Residential/retail	101,792	268,000	1,082	4,035	33.0%
Western Taiwan Straits Economic Zone							
Fuzhou	Fuzhou Country Garden Zhenro Yue Linglong	Residential/retail	77,113	158,846	889	5,597	20.0%
Fuzhou	Fuzhou Yango Poly Qixi Garden	Residential/retail	131,972	227,767	1,225	5,378	20.0%
Nanchang	Nanchang Cifi Zhenro Country Garden Cloud Over Mansion	Residential/retail	27,980	64,790	147	2,274	33.0%
Sub-total			1,608,741	3,960,872	22,068	5,571	
Total			2,189,751	5,855,666	28,359	4,843	

Total contractual land premium for the newly acquired land parcels in 2018 was approximately RMB28,359.3 million. The average cost of land parcels acquired in 2018 was approximately RMB4,843 per sq.m.

As such, as of June 30, 2018, the Group had a total of 121 property projects located in 24 cities. Among these properties, 76 projects were developed and owned by the Group and 45 were developed by the Group's joint venture and associated companies. The Group had a total land bank of over 19.7 million sq.m. in GFA, or over 14.0 million sq.m. on an attributable basis, as of June 30, 2018.

Total land bank represents the sum of (i) total GFA available for sale and total leasable GFA for completed properties, (ii) total GFA for properties under development and (iii) total GFA for properties held for future development.

The following table sets forth details of the Group's land bank by regions as of June 30, 2018.

Regions		Number of Projects	Completed GFA Available for Sale/Leasable GFA	GFA under Development	Planned GFA of Future Development	Total Land Bank	% of Total Land Bank
			sq.m.	*sq.m.*	*sq.m.*	*sq.m.*	*%*
Properties developed by the Group and its subsidiaries							
Yangtze River Delta Economic Region							
1	Shanghai	5	271,147	146,311	234,238	651,696	3.3%
2	Nanjing	4	382,464	299,122	—	681,587	3.5%
3	Suzhou	7	258,562	572,192	—	830,755	4.2%
4	Hefei	3	—	633,405	53,501	686,906	3.5%
5	Jiaxing	4	—	235,568	183,818	419,386	2.1%
6	Chuzhou	1	—	193,964	—	193,964	1.0%
	Sub-total	24	912,174	2,080,563	471,557	3,464,293	17.5%
Middle China Economic Region							
7	Zhengzhou	1	—	—	670,738	670,738	3.4%
8	Wuhan	1	—	190,675	16,701	207,377	1.1%
9	Changsha	3	79,759	73,021	875,013	1,027,793	5.2%
	Sub-total	5	79,759	263,697	1,562,452	1,905,908	9.7%
West China Economic Region							
10	Xi'an	2	—	329,201	—	329,201	1.7%
	Sub-total	2	—	329,201	—	329,201	1.7%
Bohai Economic Rim							
11	Tianjin	3	593	270,646	113,483	384,722	1.9%
12	Jinan	2	—	—	343,998	343,998	1.7%
	Sub-total	5	593	270,646	457,480	728,720	3.7%
Western Taiwan Straits Economic Zone							
13	Fuzhou	13	84,613	1,124,078	246,635	1,455,326	7.4%
14	Nanping	1	32,718	203,980	244,393	481,092	2.4%
15	Pingtan	6	6,859	572,016	197,394	776,269	3.9%
16	Nanchang	6	36,765	298,219	—	334,984	1.7%
17	Ganzhou	1	—	—	162,760	162,760	0.8%
18	Ji'an	2	—	172,578	214,044	386,623	2.0%
19	Putian	11	264,720	634,716	434,635	1,334,072	6.8%
20	Quanzhou	1	—	115,779	—	115,779	0.6%
21	Yichun	2	4,986	77,484	2,700	85,170	0.4%
	Sub-total	43	430,662	3,198,850	1,502,562	5,132,074	26.0%
	Sub-total	79	1,423,188	6,142,956	3,994,050	11,560,195	58.6%

	Regions	Number of Projects	Completed GFA Available for Sale/Leasable GFA	GFA under Development	Planned GFA of Future Development	Total Land Bank	% of Total Land Bank
			sq.m.	*sq.m.*	*sq.m.*	*sq.m.*	%
Properties developed by the Group's joint ventures and associated companies							
Yangtze River Delta Economic Region							
	Shanghai	1	—	—	307,227	307,227	1.6%
	Jiaxing	3	—	436,147	—	436,147	2.2%
	Nanjing	3	—	643,405	—	643,405	3.3%
	Chuzhou	1	—	225,975	—	225,975	1.1%
22	Xuzhou	2	—	111,024	157,192	268,216	1.4%
	Suzhou	14	—	1,569,724	240,548	1,810,272	9.2%
	Hefei	2	—	434,194	—	434,194	2.2%
	Sub-total	26	—	3,420,468	704,967	4,125,436	20.9%
	Attributable sub-total		—	987,851	193,421	1,181,272	
Middle China Economic Region							
18	Zhengzhou	1	—	221,307	—	221,307	1.1%
23	Xuchang	1	—	—	61,000	61,000	0.3%
	Wuhan	2	—	421,338	538,210	959,548	4.9%
24	Xiangyang	1	—	—	270,205	270,205	1.4%
	Changsha	1	—	305,023	32,223	337,246	1.7%
	Sub-total	6	—	947,668	901,638	1,849,306	10.0%
	Attributable sub-total		—	375,277	375,780	751,057	
Bohai Economic Rim							
	Tianjin	6	—	478,937	458,238	937,175	4.7%
	Jinan	1	—	268,000	—	268,000	1.4%
	Sub-total	7	—	746,937	458,238	1,205,175	6.1%
	Attributable sub-total		—	155,934	151,660	307,594	
Western Taiwan Straits Economic Zone							
	Fuzhou	2	—	386,613	—	386,613	2.0%
	Yichun	1	—	—	126,119	126,119	0.6%
	Nanchng	3	—	488,989	—	488,989	2.5%
	Sub-total	6	—	875,602	126,119	1,001,721	4.4%
	Attributable sub-total		—	190,209	44,142	234,351	
Properties developed by the Group's joint ventures and associated companies		45	—	5,990,676	2,190,963	8,181,639	41.4%
Properties developed by the Group's joint ventures and associated companies on an attributable basis			—	1,709,271	765,003	2,474,274	
Total land bank		124	1,423,188	12,133,632	6,185,013	19,741,834	100.0%
Total land bank on an attributable basis			1,423,188	7,852,227	4,759,054	14,034,469	

The following table sets forth details of the Group's land bank by projects as of June 30, 2018.

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[1]
					sq.m.		*sq.m.*
Properties developed by the Group and its subsidiaries							
Yangtze River Delta Economic Region							
1	Shanghai Hongqiao Zhenro Mansion Phase 1	Shanghai	100.0%	Residential/retail	35,759	June 2017	24,452
	Shanghai Hongqiao Zhenro Mansion Phase 2	Shanghai	100.0%	Residential	22,564	December 2017	16,986
	Shanghai Hongqiao Fortune Center	Shanghai	100.0%	Retail	24,039	May 2021	106,825
2	Shanghai Hongqiao Zhenro Center Phase 1	Shanghai	100.0%	Retail/SOHO and office	50,585	December 2016	61,333
	Shanghai Hongqiao Zhenro Center Phase 2	Shanghai	100.0%	Retail/SOHO and office	23,110	November 2018	89,625
3	Shanghai Zhenro Royal Kingdom Phase 1	Shanghai	100.0%	Residential/retail	55,274	May 2016	27,907
	Shanghai Zhenro Royal Kingdom Phase 2	Shanghai	100.0%	Residential	54,748	November 2017	26,844
4	Shanghai Zhenro The Capital of Jinshan Phase 1	Shanghai	100.0%	Residential	60,692	June 2016	2,156
	Shanghai Zhenro The Capital of Jinshan Phase 2	Shanghai	100.0%	Residential	43,045	July 2018	102,143
	Shanghai Zhenro The Capital of Jinshan Phase 3	Shanghai	100.0%	Retail/SOHO and office	41,948	May 2021	127,413
5	Shanghai Zhenro Fontainebleau Phase 1	Shanghai	100.0%	Residential/retail	33,008	December 2016	355
	Shanghai Zhenro Fontainebleau Phase 2	Shanghai	100.0%	Residential/retail	32,000	November 2017	8,973
	Shanghai Zhenro Fontainebleau Phase 3	Shanghai	100.0%	Residential	37,798	February 2019	56,686
	Shanghai sub-total				514,570		651,696
6	Jiaxing Zhenro Jinmao Xiuhu Jinmao Mansion	Jiaxing	100.0%	Residential/retail	72,100	August 2020	183,818
7	Jiaxing Zhongnan Zhenro Country Garden Manyue Bay	Jiaxing	100.0%	Residential	39,984	October 2020	71,226
8	Jiaxing Zhenro Country Garden Yue Mansion	Jiaxing	100.0%	Residential/retail	7,342	November 2019	16,574
9	Jiaxing Excellence Zhenro Canal Grand Mansion	Jiaxing	100.0%	Residential/retail	63,568	October 2019	147,768
	Jiaxing sub-total				182,994		419,386
10	Nanjing Zhenro Riverside Wonderland	Nanjing	100.0%	Residential/retail	71,345	December 2018	81,912
11	Nanjing Zhenro Splendid Land	Nanjing	100.0%	Residential/retail	105,353	January 2019	114,438
12	Nanjing Zhenro Royal Fame	Nanjing	100.0%	Residential/retail	84,545	May 2019	118,892

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[(1)]
					sq.m.		*sq.m.*
13	Nanjing Zhenro Riverside Violet Mansion Parcel A	Nanjing	100.0%	Residential/retail	83,048	December 2020	157,145
	Nanjing Zhenro Riverside Violet Mansion Parcel B	Nanjing	100.0%	Retail/SOHO and office	/	May 2022	209,199
	Nanjing sub-taoal				344,291		681,587
14	Chuzhou Zhenro Mansion	Chuzhou	100.0%	Residential/retail	80,867	April 2021	193,964
	Chuzhou sub-total				80,867		193,964
15	Suzhou Zhenro Royal Kingdom	Suzhou	100.0%	Residential/retail	107,542	December 2018	48,720
16	Suzhou Zhenro Happiness Town Phase I	Suzhou	100.0%	Residential/retail	48,866	August 2017	86,991
	Suzhou Zhenro Happiness Town Phase II	Suzhou	100.0%	Residential/retail	35,812	August 2017	23,535
17	Suzhou Zhenro Top Mountain	Suzhou	100.0%	Residential	65,679	May 2018	12,568
18	Suzhou Zhenro Majestic Garden	Suzhou	100.0%	Residential/retail	29,531	December 2018	56,429
19	Suzhou Yue Tang Bay Garden House	Suzhou	100.0%	Residential	105,210	September 2020	320,992
20	Suzhou Taihu Billion Mansion Parcel B	Suzhou	100.0%	Residential	24,583	November 2019	75,322
	Suzhou Taihu Billion Mansion Parcel C	Suzhou	100.0%	Residential	30,760	May 2019	94,685
	Suzhou Taihu Billion Mansion Parcel A	Suzhou	100.0%	Retail/SOHO and office	7,239	March 2020	53,459
21	Suzhou Zhenro Xiangshan Piedmont Garden	Suzhou	100.0%	Residential	39,098	December 2019	58,054
	Suzhou sub-total				494,319		830,755
22	Hefei Capital Yue	Hefei	100.0%	Residential/retail/ SOHO and office	120,705	May 2020	272,943
23	Hefei City 1907	Hefei	100.0%	Residential/SOHO and office	111,380	July 2020	335,227
24	Hefei Zhenro Mansion	Hefei	100.0%	Residential	38,221	October 2020	78,736
	Hefei sub-total				270,305		686,906
Middle China Economic Region							
25	Zhengzhou Chengnan Zhenro Mansion	Zhengzhou	100.0%	Residential	212,099	November 2020	670,738
	Zhengzhou sub-total				212,099		670,738
26	Wuhan Zhenro Mansion Parcel A	Wuhan	100.0%	Residential/retail	39,235	September 2019	170,339
	Wuhan Zhenro Mansion Parcel B	Wuhan	100.0%	SOHO and office	9,501	September 2018	37,037
	Wuhan sub-total				48,736		207,376

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[(1)]
					sq.m.		*sq.m.*
27	Changsha Zhenro Fortune Centure South 1	Changsha	100.0%	Residential/retail	48,021	February 2018	2,548
	Changsha Zhenro Fortune Centure South 2	Changsha	100.0%	Residential/retail	/	May 2018	960
	Changsha Zhenro Fortune Centure North1	Changsha	100.0%	Retail/SOHO and office	97,199	March 2020	115,742
	Changsha Zhenro Fortune Centure North 2	Changsha	100.0%	Residential/retail	/	October 2019	362,861
28	Changsha Riverside Zhenro Mansion	Changsha	100.0%	Residential/retail/ SOHO and office	106,652	May 2021	329,011
29	Changsha Zhenro Pinnacle	Changsha	100.0%	Residential/retail	20,275	September 2021	216,671
	Changsha sub-total				272,148		1,027,793
West China Economic Region							
30	Xi'an Zhenro Rainbow Valley	Xi'an	100.0%	Retail/SOHO and office	30,422	March 2018	123,945
31	Xi'an Zhenro Mansion Phase I (Parcel QJ10-8-484)	Xi'an	100.0%	Residential	24,150	April 2020	108,002
	Xi'an Zhenro Mansion Phase I (Parcel QJ10-8-485)	Xi'an	100.0%	Retail/SOHO and office	15,172	May 2020	103,091
	Xi'an sub-total				69,743		329,201
Bohai Economic Rim							
32	Tianjin Zhenro Jade Bay Phase I	Tianjin	100.0%	Residential/retail	66,955	December 2016	398
	Tianjin Zhenro Jade Bay Phase II	Tianjin	100.0%	Residential/retail	60,742	June 2018	195
33	Tianjin Zhenro Zhenro Mansion Phase I	Tianjin	100.0%	Residential/retail	111,524	November 2019	270,646
	Tianjin Zhenro Zhenro Mansion Phase II (with School)	Tianjin	100.0%	N/A	17,785	November 2019	14,228
34	Tianjin No. Jinnanhonggua 2016-099	Tianjin	100.0%	Residential/retail/ SOHO and office	18,190	September 2021	99,255
	Tianjin sub-total				275,196		384,722
35	Jinan No.2017-G121	Jinan	100.0%	Residential/retail	57,785	May 2021	252,224
36	Jinan No.2017-G122	Jinan	100.0%	Residential/retail	23,013	December 2021	91,774
	Jinan sub-total				80,798		343,998
Western Taiwan Straits Economic Zone							
37	Fuzhou Zhenro Fortune Center Phase I (Residential)	Fuzhou	100.0%	Residential/retail	66,667	April 2018	1,910
	Fuzhou Zhenro Fortune Center Phase II (1#, 2#, 7#)	Fuzhou	100.0%	Retail	46,667	December 2017	77,199

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[(1)]
					sq.m.		*sq.m.*
38	Fuzhou Mawei Zhenro Fortune Center Phase I	Fuzhou	100.0%	Residential/retail	67,032	September 2018	37,575
	Fuzhou Mawei Zhenro Fortune Center Phase II	Fuzhou	100.0%	Residential/retail/ SOHO and office		January 2019	51,211
39	Fuzhou Zhenro Rivage Garden Phase I (excluding 3# and 5#)	Fuzhou	100.0%	Residential	51,447	October 2015	189
40	Fuzhou Zhenro Mansion Parcel I	Fuzhou	100.0%	N/A	6,290	December 2019	600
	Fuzhou Zhenro Mansion Parcel II	Fuzhou	100.0%	Residential/retail	19,434	December 2019	69,584
	Fuzhou Zhenro Mansion Parcel III	Fuzhou	100.0%	Residential/retail	41,149	December 2019	143,982
41	Mawei Zhenro Top Mountain	Fuzhou	100.0%	Residential/retail/ SOHO and office	25,027	April 2019	42,765
42	Fuzhou Zhenro Yue Lan Bay	Fuzhou	100.0%	Residential/retail	29,160	April 2019	99,774
43	Fuzhou Zhenro Yuejingtai	Fuzhou	100.0%	Residential	35,164	November 2020	151,931
44	Fuzhou Zhenro Sanjiang Cloud Piedmont	Fuzhou	100.0%	Residential	36,014	September 2020	47,699
45	Mawei Yue River Bay	Fuzhou	100.0%	Residential	47,200	August 2020	144,368
46	Fuqing No. 2018-02	Fuzhou	100.0%	Residential/retail	68,079	October 2020	207,859
47	Fuqing No. 2018-03	Fuzhou	100.0%	Residential/retail	64,728	April 2021	198,936
48	Fujian Zhenro Yue Long Bay	Fuzhou	100.0%	Residential/retail	66,706	May 2020	179,744
	Fuzhou sub-total				604,056		1,455,326
49	Nanping Zhenro Fortune Center Parcel I Phase I	Nanping	100.0%	Residential/retail	87,546	November 2019	124,844
	Nanping Zhenro Fortune Center Parcel I Phase II	Nanping	100.0%	Retail/SOHO and office	42,231	November 2020	159,856
	Nanping Zhenro Fortune Center Parcel II	Nanping	100.0%	Residential	76,050	April 2019	196,392
	Nanping sub-totbal				205,827		481,092
50	Pingtan Zhenro Smooth Sea Phase I	Pingtan	100.0%	Residential/retail	48,282	September 2018	2,882
	Pingtan Zhenro Smooth Sea Phase II	Pingtan	100.0%	Residential/retail	37,935	June 2018	2,866
51	Pingtan Zhenro Royal Lake Bay	Pingtan	100.0%	Residential/retail	23,228	December 2018	1,111
52	Pingtan Zhenro Yue Lake Bay Phase I	Pingtan	100.0%	Residential/retail	19,275	April 2020	69,558
	Pingtan Zhenro Yue Lake Bay Phase II	Pingtan	100.0%	Residential/retail	/	October 2020	67,793
53	Pingtan Zhenro Mansion Phase I	Pingtan	100.0%	Residential/retail	66,560	October 2021	239,620
54	Pingtan Zhenro Mansion Phase II	Pingtan	100.0%	Residential/retail	52,321	September 2021	195,704

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[1]
					sq.m.		*sq.m.*
55	Pingtan Lanwan Zhenro Mansion	Pingtan	100.0%	Residential/retail	55,161	December 2021	197,394
	Pingtan sub-total				322,037		776,269
56	Putian Zhenro Smooth Jade	Putian	100.0%	Residential/retail	70,655	May 2018	233,135
57	Putian Zhenro Fortune Center Parcel A1	Putian	100.0%	Retail/SOHO and office	199,941	January 2017	176,552
	Putian Zhenro Fortune Center Parcel A2	Putian	100.0%	SOHO and office	/	December 2020	109,919
	Putian Zhenro Fortune Center Parcel B1	Putian	100.0%	Residential/retail	/	January 2016	16,992
	Putian Zhenro Fortune Center Parcel B2	Putian	100.0%	Residential/retail	/	November 2016	20,718
58	Putian Zhenro Litchi Garden	Putian	100.0%	Residential/retail	35,268	June 2010	819
59	Putian Zhenro Times Plaza	Putian	100.0%	Residential/retail	118,943	March 2014	44,310
60	Putian Zhenro Royal Family	Putian	100.0%	Residential/retail	42,431	October 2016	5,328
61	Putian Zhenro Mansion	Putian	100.0%	Residential/retail	94,108	December 2019	293,673
62	Putian Zhenro Magnolia Royal Summit	Putian	100.0%	Residential/retail	33,283	November 2019	107,909
63	Putian Zhenro Cloud Piedmont Garden Phase 1	Putian	100.0%	Residential	79,698	October 2020	159,487
64	Putian Riverside Zhenro Mansion	Putian	100.0%	Residential/retail	23,926	April 2020	63,526
65	Putian Zhenro Cloud Piedmont Garden Phase 2	Putian	100.0%	Residential	33,942	March 2020	101,703
66	Putian Zhenro Magnolia Royal Summit	Putian	100.0%	Residential/retail/ SOHO and office	39,848	April 2020	44,310
	Putian sub-total				772,041		1,449,850
67	Nanchang Zhenro First Mansion	Nanchang	100.0%	Residential/retail	59,558	August 2017	1,407
68	Nanchang Zhenro Royal Sunrise	Nanchang	100.0%				
	Nanchang Zhenro Royal Statue	Nanchang	100.0%	Residential/retail	22,185	May 2015	370
	Nanchang Zhenro Royal Quality	Nanchang	100.0%	Residential/retail	46,986	September 2015	727
	Nanchang Zhenro Royal Summit	Nanchang	100.0%	Residential/retail	44,387	June 2016	1,026
	Nanchang Zhenro The Country	Nanchang	100.0%	Residential/retail	36,488	February 2016	162
69	Nanchang Zhenro The Capital of Great Loch	Nanchang	100.0%	Residential/retail	872,794	June 2017	33,073
70	Nanchang Zhenro Mansion	Nanchang	100.0%	Residential/retail	103,413	November 2020	277,498

Project Names		City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[(1)]
					sq.m.		*sq.m.*
71	Nanchang West Lake Violet Mansion	Nanchang	100.0%	Residential	7,049	November 2019	20,721
72	Nanchang No. DBA2017077	Nanchang	100.0%	Residential/retail	60,732	February 2020	162,760
	Nanchang sub-total				1,253,592		497,744
73	Ji'an Country Garden Zhenro Lulin Mansion	Ji'an	100.0%	Residential/retail	74,388	October 2020	193,387
74	Ji'an Country Garden Zhenro Lulin Mansion Phase 2	Ji'an	100.0%	Residential/retail	78,938	October 2020	193,236
	Ji'an sub-total				153,326		386,623
75	Yichun Zhenro Landscape Riverside	Yichun	100.0%	Residential/retail	138,667	September 2013	26
76	Yichun Zhenro Royal Riverside South 2	Yichun	100.0%	Residential/retail	171,791	December 2013	3,670
	Yichun Zhenro Royal Riverside North 1	Yichun	100.0%	Residential/retail		August 2015	3,835
	Yichun Zhenro Royal Riverside North 2	Yichun	100.0%	Residential/retail/ SOHO and office		June 2018	13,919
	Yichun Zhenro Royal Riverside North 3	Yichun	100.0%	Residential		August 2018	63,720
	Yichun sub-total				310,458		85,170
	Sub-total of land bank developed by the Group and its subsidiaries				6,412,243		11,560,195

Project Names		City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[1]
					sq.m.		*sq.m.*
Properties developed by the Group's joint ventures and associated companies							
Yangtze River Delta Economic Region							
1	Shanghai BU Centre	Shanghai	20.0%	Retail/SOHO and office	70,857	November 2020	307,227
2	Jiaxing Zhongnan Zhenro Haishang Mingyue	Jiaxing	50.0%	Residential/retail	33,424	December 2019	85,051
3	Jiaxing Cifi Light Blooming Land	Jiaxing	25.0%	Residential/retail	58,321	November 2019	148,409
4	Jiaxing Shimao Shining Times	Jiaxing	30.0%	Residential/retail	67,291	April 2020	202,686
5	Nanjing Times Tianyue	Nanjing	20.0%	Residential/retail/SOHO and office	54,311	June 2021	211,494
6	Nanjing Long Yue	Nanjing	33.0%	Residential	35,051	April 2020	113,632
7	Nanjing Zhaoshang Zhenro East Forwarding Mansion	Nanjing	49.0%	Residential/retail	90,981	April 2020	318,279
8	Chuzhou Hongyang Times Billow Courtyard	Chuzhou	30.0%	Residential/retail	89,886	December 2020	225,975
9	Xuzhou Splendid Mountain Mansion Parcel 34	Xuzhou	33.0%	Residential/retail	60,584	August 2020	111,024
10	Xuzhou Splendid Mountain Mansion Parcel 35	Xuzhou	33.0%	Residential/retail	86,948	November 2020	157,192
11	Suzhou Jinhui Zhenro Four Seasons	Suzhou	49.0%	Residential	32,044	March 2019	82,018
12	Suzhou Yuzhou Zhaoshang Shili	Suzhou	20.0%	Residential/retail	128,313	November 2019	313,263
13	Suzhou Lanxi Bay Garden	Suzhou	36.0%	Residential	66,738	November 2018	122,061
14	Suzhou Shanghu Masterpiece Garden	Suzhou	33.0%	Residential/retail	46,004	November 2018	119,180
15	Suzhou River City Fountainhead Garden	Suzhou	13.0%	Residential/retail	69,982	December 2019	122,187
16	Suzhou Miles Splendid Garden	Suzhou	16.4%	Residential/retail	98,783	December 2019	171,955
17	Suzhou Sea Times Garden	Suzhou	14.5%	Residential/retail	69,206	June 2020	186,396
18	Suzhou Lake Yue Billow Courtyard	Suzhou	16.3%	Residential/retail	59,235	December 2019	158,869
19	Suzhou Flavour Yue Four Seasons Garden	Suzhou	20.0%	Residential/retail	56,479	December 2019	123,795
20	Suzhou Platinum Jade Mansion	Suzhou	16.7%	Residential/retail	36,748	December 2019	85,647
21	Suzhou Girty Celebrity	Suzhou	33.3%	Residential/retail	131,418	October 2020	240,548
22	Suzhou Tian Qin Elegance Garden	Suzhou	16.7%	Residential/retail	21,638	November 2019	48,926
23	Suzhou No. WJ-J-2017-017	Suzhou	50.0%	Residential/retail	5,759	March 2019	21,201
24	Suzhou No. WJ-J-2017-016	Suzhou	50.0%	Residential	7,585	March 2019	14,226
25	Hefei Country Garden Zhenro Jade Yue	Hefei	49.0%	Residential/SOHO and office	44,787	June 2020	98,895
26	Hefei Century World	Hefei	33.0%	Residential/SOHO and office	130,918	October 2019	335,299
	Yangtze River Delta Economic Region sub-total				1,653,293		4,125,436
					470,517		1,181,272

	Project Names	City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[1]
					sq.m.		*sq.m.*
Middle China Economic Region							
27	Zhengzhou Clifi Zhenro Capital Mansion	Zhengzhou	24.0%	Residential/retail	69,439	March 2019	221,307
28	Xuchang Sky Yue Mansion	Xuchang	33.3%	Residential/retail	20,994	March 2021	61,000
29	Wuhan Zhenro Pinnacle Phase 1	Wuhan	50.0%	Residential/retail	136,139	January 2020	193,465
	Wuhan Zhenro Pinnacle Phase 2	Wuhan	50.0%	Residential	/	June 2021	192,832
30	Wuhan Qingneng Zhenro Mansion	Wuhan	32.0%	Residential/retail	156,511	November 2021	573,251
31	Xiangyang Changtou Zhenro Mansion	Xiangyang	49.0%	Residential/retail	68,554	December 2020	270,205
32	Changsha Meixi Zhenro Mansion Phase 1	Changsha	50.0%	Residential/retail	108,221	September 2018	193,602
	Changsha Meixi Zhenro Mansion Phase 2	Changsha	50.0%	Residential	/	April 2020	143,644
	Midwest China Economic Region sub-total				559,858		1,849,306
					229,518		751,057
Bohai Economic Rim							
33	Tianjin No. Jinbinbeitanggua 2017-1-A/B/C/D/E/F/G/H/I/J	Tianjin	12.5%	Residential/retail	149,245	December 2020	260,551
34	Tianjin Wisedom Luck Elengent Garden	Tianjin	14.0%	Residential/retail/SOHO and office	45,511	August 2020	206,300
35	Tianjin Heshan Garden Parcel 41	Tianjin	50.0%	Residential	50,458	December 2020	101,069
36	Tianjin Heshan Garden Parcel 39	Tianjin	50.0%	Residential	25,428	December 2020	51,862
37	Tianjin Heshan Garden Parcel 38	Tianjin	50.0%	Residential	38,606	December 2021	75,333
38	Tianjin Jiuhe Mansion	Tianjin	18.0%	Residential/retail	52,482	November 2020	242,060
39	Jinan Jiu Long Mansion	Jinan	33.0%	Residential/retail	101,792	March 2020	268,000
	Bohai Economic Rim sub-total				463,522		1,205,175
					125,311		307,594
Western Taiwan StraitsEconomic Zone							
40	Fuzhou Country Garden Zhenro Yue Linglong	Fuzhou	20.0%	Residential/retail	77,113	May 2020	158,846
41	Fuzhou Yango Poly Qixi Garden	Fuzhou	20.0%	Residential/retail	131,972	November 2019	227,767
42	Nanchang Xinli Garden	Nanchang	19.0%	Residential/retail	90,420	September 2019	242,401
43	Nanchang Zhenro Linlong Mansion	Nanchang	25.0%	Residential/retail	72,103	November 2019	181,797
44	Nanchang Cifi Zhenro Country Garden Cloud Over Mansion	Nanchang	33.0%	Residential/retail	27,980	February 2020	64,790

Project Names		City	Interest Attributable to the Group	Primary Intended Use of the Project	Site Area	Actual/ Estimated Construction Completion Date	Total Land Bank[(1)]
					sq.m.		*sq.m.*
45	Yichun Zhenro Jintou Yuanzhou Mansion	Yichun	35.0%	Residential/retail	55,227	November 2020	126,119
	Western Taiwan Straits Economic Zone sub-total				454,815		1,001,721
					105,585		234,351
	Sub-total of land bank developed by the Group's joint ventures and associated companies				3,131,489		8,181,639
	Sub-total associated companies on an attributable basis				930,932		2,474,274
	Total land bank				9,543,732		19,741,834
	Total land bank on an attributable basis				7,343,175		14,034,469

Note:

(1) Total GFA of the Group's land bank includes (i) GFA available for sale and total leasable GFA for completed properties, (ii) total GFA for properties under development and (iii) total GFA for properties held for future development. For projects held by our Joint Ventures and associated companies, total GFA will be adjusted by our equity interest in the respective project.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 52.3% from RMB8,085.2 million for the six months ended June 30, 2017 to RMB12,314.6 million for the six months ended June 30, 2018. Out of the Group's total recognized revenue for the six months ended June 30, 2018, (i) sales of properties increased by approximately 52.1% to RMB12,224.3 million compared to the same period in 2017, (ii) property leasing increased by approximately 39.1% to RMB46.9 million compared to the same period in 2017, and (iii) provision of commercial property management services increased by approximately 180.3% to RMB40.3 million compared to the same period in 2017. The table below sets forth the Group's revenue for each of the components described above and the percentage of total revenue represented for the periods indicated.

	Six months ended June 30, 2018		**Six months ended June 30, 2017**		
	Revenue	**% of Total Revenue**	**Revenue**	**% of Total Revenue**	**Year- over-Year Change**
	RMB'000	%	*RMB'000*	%	%
Sales of properties	12,224,314	99.3	8,037,186	99.4	52.1
Rental income	46,875	0.4	33,696	0.4	39.1
Property management income	40,262	0.3	14,364	0.2	180.3
Other	3,195	0.0	—	—	—
Total	12,314,646	100.0	8,085,246	100.0	52.3

Cost of Sales

The Group's cost of sales primarily represents the costs it incurs directly for the property development activities as well as its commercial property management and leasing operations. The principal components of cost of sales for property development include cost of properties sold, which represents direct construction costs, land use right costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The Group's cost of sales increased by approximately 50.0% from RMB6,399.9 million for the six months ended June 30, 2017 to RMB9,600.2 million for the six months ended June 30, 2018, primarily attributable to the increase in the number of properties completed and delivered by the Group during the six months ended June 30, 2018.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by approximately 61.1% from RMB1,685.3 million for the six months ended June 30, 2017 to RMB2,714.4 million, for the six months ended June 30, 2018.

Gross profit margin was 22.0% for the six months ended June 30, 2018, increased from 20.8% for the six months ended June 30, 2017.

Other Income and Gains and Finance income

The Group's other income and gains and finance income primarily consist of interest income, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. Commercial compensation primarily represents forfeited deposits received from certain potential customers who did not subsequently entered into sales contracts with the Group and penalties received from certain customers due to their breach of sales or pre-sales contracts.

Other income and gains and finance income increased by approximately 138.2% from RMB63.7 million for the six months ended June 30, 2017 to RMB151.8 million for the six months ended June 30, 2018, primarily due to an increase in interest income on bank deposits mainly as a result of the increase in the total amount of bank deposits, as well as an increase in commercial compensation collected by the Group in the six months ended June 30, 2018.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising, marketing and business development expenses, sales and marketing staff cost, office expenses, fees paid to our third-party sales agents, rental and other expenses relating to sales of our properties and property leasing services.

The Group's selling and distribution expenses increased by approximately 13.0% from RMB284.9 million for the six months ended June 30, 2017 to RMB322.0 million for the six months ended June 30, 2018, primarily due to (i) the strengthened selling and marketing efforts to promote newly-launched property projects in new cities and regions in which the Group operates as part of its business expansion; and (ii) the expansion of the Group's in-house sales and marketing team to support its business expansion in the first half of 2018.

Administrative Expenses

Administrative expenses primarily consist of management and administrative staff costs, entertainment expenses, office and meeting expenses, stamped duties and other taxes, rental costs, depreciation of property, plant and equipment, professional fees, travelling expenses, bank charges, listing expenses and other general office expenses and miscellaneous expenses.

The Group's administrative expenses increased by approximately 93.7% from RMB263.8 million for the six months ended June 30, 2017 to RMB511.1 million for the six months ended June 30, 2018, primarily due to the continuous increase in the number of property projects under development and planned for future development, which was in line with the Group's business expansion, resulting in increases in its management and administrative headcount, entertainment expenses, traveling expenses and other miscellaneous expenses.

Other Expenses

Other expenses increased by 52.3% from RMB9.5 million for the six months ended June 30, 2017 to RMB14.5 million for the six months ended June 30, 2018.

Fair Value Gains on Investment Properties

The Group develops and holds certain commercial properties on a long-term basis for rental income or capital appreciation. Fair value gains on investment properties increased by approximately 97.9% from RMB49.6 million for the six months ended June 30, 2017 to RMB98.0 million for the six months ended June 30, 2018, primarily because the increased proportion of investment properties of Shanghai Hongqiao Zhenro Center in such period.

Finance Costs

Finance costs primarily consist of interest expenses for bank and other borrowings net of capitalized interest relating to properties under development.

The Group's finance costs decreased by approximately 23.9% from RMB251.7 million for the six months ended June 30, 2017 to RMB191.5 million for the six months ended June 30, 2018, primarily due to an increase in the level of interest costs that were capitalized in the six months ended June 30, 2018.

Share of Losses of Joint Ventures and Associated Companies

The Group's share of losses of joint ventures was RMB27.3 million for the six months ended June 30, 2018, increased by 52.2% from RMB17.9 million for the six months ended June 30, 2017, primarily due to an increase in the Group's relevant expenses resulting from the increased property projects held by its new joint ventures.

The Group's share of losses of associated companies was RMB56.9 million for the six months ended June 30, 2018, increased by 26,477.5% from RMB0.2 million for the six months ended June 30, 2017, primarily represented the Group's relevant expenses resulting from the increased property projects held by its new associated companies.

Income Tax Expenses

Income tax expenses represent corporate income tax and land appreciation tax ("**LAT**") payable by the Group's subsidiaries in the PRC.

The Group's income tax expenses increased by approximately 53.5% from RMB594.0 million for the six months ended June 30, 2017 to RMB911.5 million for the six months ended June 30, 2018, primarily due to an increase in the Group's profit before tax. The effective corporate income tax rate was 30.5% for the six months ended June 30, 2018, compared with 40.4% for the six months ended June 30, 2017.

Profit for the Period

As a result of the foregoing, the Group's profit increased by approximately 154.2% from RMB376.6 million for the six months ended June 30, 2017 to RMB957.2 million, for the six months ended June 30, 2018.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The industry in which the Group engages is a capital-intensive industry. The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with proceeds from the IPO, proceeds from pre-sale and sale of properties, loans from commercial banks, proceeds from corporate debts or other securities offerings, and capital injections from shareholders. The Group's need for short-term liquid capital is mainly associated with loan repayments and capital needs for operation, and the Group's short-term liquid capital comes from cash balance, proceeds from pre-sale and sale of properties and new bank loans. The Group's need for long-term liquid capital is associated with capital allocated for new property development projects and repayment of long-term loan.

Cash Positions

As of June 30, 2018, the Group had cash and bank balances of approximately RMB14,797.9 million (December 31, 2017: RMB14,539.5 million), pledged deposits of approximately RMB839.7 million (December 31, 2017: RMB1,195.3 million) and restricted cash of approximately RMB5,199.5 million (December 31, 2017: RMB3,931.5 million)

Indebtedness

As of June 30, 2018, the Group has total outstanding bank and other borrowings of RMB42,320.0 million, compared with RMB40,061.2 million as of December 31, 2017. As of June 30, 2018, the Group also had onshore corporate bond, senior notes and receipts under a securitisation arrangment with carrying amounts of approximately RMB7,004.3 million, compared with RMB2,002.4 million as of December 31, 2017. The Group's borrowings are mainly denominated in Renminbi.

All of the Group's secured borrowings were secured by its asset portfolio which includes investment properties, prepaid land lease payments, properties under development, completed properties held for sale, and restricted cash.

The following table sets forth the Group's total borrowings as of the dates indicated.

	As of June 30, 2018	As of December 31, 2017
	RMB'000	*RMB'000*
Current borrowings:		
Bank borrowings — secured	774,400	250,000
Bank borrowings — unsecured	210,000	230,000
Other borrowings — secured	5,344,588	4,106,572
Other borrowings — unsecured	1,520,045	688,416
Plus: current portion of non-current borrowings		
Bank borrowings — secured	7,973,436	7,032,732
Bank borrowings — unsecured	889,230	33,400
Other borrowings — secured	4,605,243	7,660,637
Other borrowings — unsecured	1,839,681	980,000
Senior notes and Corporate bonds	3,107,833	2,002,359
Total current borrowings	26,264,456	22,984,116
Non-current borrowings:		
Bank borrowings — secured	11,248,586	7,722,609
Bank borrowings — unsecured	1,770,789	1,705,859
Other borrowings — secured	6,031,991	9,531,953
Other borrowings — unsecured	112,000	119,000
Senior notes and Receipts under a securitisation arrangment	3,896,431	—
Total non-current borrowings	23,059,797	19,079,421
Total	49,324,253	42,063,537

The following table sets forth the maturity profiles of the Group's total borrowings as of the dates indicated.

	As of June 30, 2018	As of December 31, 2017
	RMB'000	*RMB'000*
Repayable within one year	26,264,456	22,984,116
Repayable in the second year	13,243,192	13,585,642
Repayable within two to five years	9,176,605	5,493,779
Repayable more than five years	640,000	—
Sub-total	23,059,797	19,079,421
Total	49,324,253	42,063,537

Additionally, as of June 30, 2018, the Group issued varieties of unsecured senior notes and receipts under a securitisation arrangement. Please refer to "Bond Offerings" below for more details.

Borrowing Costs

The Group's weighted average effective interest rates on bank and other borrowings were 7.4% for the six months ended June 30, 2018, compared with 7.3% for the year ended December 31, 2017. The increase was primarily due to the increase in overseas financing costs.

Financial Risks

The Group is not subject to significant credit risk and liquidity risk.

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

KEY FINANCIAL RATIOS

The Group's current ratio keep stable at 1.3 as of December 31, 2017 and June 30, 2018.

The Group's net gearing ratio decreased from 183.2% as of December 31, 2017 to 171.8% as of June 30, 2018, primarily due to the Group's continuous efforts to manage its financial leverage to achieve sustainable growth.

CONTINGENT LIABILITIES

Mortgage Guarantees

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If it fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds.

As of June 30, 2018, the material contingent liabilities incurred for the Group's provision of guarantees to financial institutions in respect of the mortgage loans they provided to the Group's customers were approximately RMB21,089.9 million, compared with RMB21,961.4 million as of December 31, 2017.

The Directors confirm that the Group has not encountered defaults by purchasers in which it provided mortgage guarantees that, in aggregate, had a material adverse effect on our financial condition and results of operations.

Legal Contingents

The Group may be involved in lawsuits and other proceedings in its ordinary course of business from time to time. The Group believes that no liabilities resulting from these proceedings will have a material and adverse effect on our business, financial condition or operating results.

Commitments

As of June 30, 2018, the Group's property development expenditures and acquisition of land use rights and capital contributions payable to joint ventures and associates that had contracted but yet provided for were RMB12,736.6 million, compared with RMB9,168.6 million as of December 31, 2017.

As of June 30, 2018, the Group's operating lease expenditures was RMB134.1 million, compared with RMB89.6 million as of December 31, 2017.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as of June 30, 2018, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

As of the date of this interim results announcement, net proceeds not utilized are held in bank deposits and it is intended that they will be applied in the manner consistent with the proposed allocations in the prospectus.

BOND OFFERINGS

The Group continuously looks for financing opportunities to support its business development. These opportunities include the raising of funds through asset-backed securities programs, senior notes, corporate bonds and other debt offerings.

In April 2018, the Group issued the asset-backed securities through a private placement in an aggregate proposed principal amount of approximately RMB2,421.0 million. The securities will be issued in two tranches. The first tranche being the senior tranche of the securities with an issue amount of RMB2,300.0 million has a three-year tenure and a coupon rate of 7.3%. The second tranche being the subordinated tranche of the securities with an issue amount of RMB121.0 million has a three-year tenure and has no fixed coupon rate and the mature date is April 2021.

In May 2018, the Group issued a one-year senior notes of US$160.0 million through a private placement, with an annual interest rate of 8.5% and maturity date of May 2019.

In addition, in June 2018, the Group issued senior notes of US$250.0 million through public offering. The notes will bear interest at a rate of 10.5% per annum due June 2020.

The Group intends to use the proceeds from these bond offerings to repay external borrowings and may also consider other debt offering plans in the near future.

EMPLOYEES

As of June 30, 2018, the Group had a total of 2,065 employees. The Group offers employees competitive remuneration packages that include basic salaries, discretionary bonuses, performance-based payments, year-end bonuses and share awards. It contributes to social insurance for its employees, including medical insurance, work-related injury insurance, retirement insurance, maternity insurance, unemployment insurance and housing funds.

SUBSEQUENT EVENTS

Save as disclosed herein, no material events were undertaken by the Group subsequent to June 30, 2018.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Group completed its IPO and was successfully listed on the Main Board of the Stock Exchange on January 16, 2018. Net proceeds from the IPO (including the exercise of the over-allotment options), after deducting the underwriting commission and other estimated expenses in connection with the Offering which the Company received amounted to approximately HK$4,392.3 million.

During the six months ended June 30, 2018, in a manner consistent with the proposed allocations in the prospectus, the Group utilized the proceeds from IPO, of which approximately RMB902.1 million was used to repay borrowings falling due and approximately RMB753.8 million was allocated to project companies as general working capital. Among the remaining proceeds used for construction and development of property projects, RMB438.4 million was paid, while the remaining will be paid year by year according to the progress of construction in the following years.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound governance policies and measures with the Board being responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company with reference to the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules so as to maintain a high standard of corporate governance of the Company. So far as the Directors are aware, the Company has complied with the Code since January 16, 2018 (the "**Listing Date**") to June 30, 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the reporting period, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code since Listing Date to June 30, 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company since the Listing Date to June 30, 2018.

CHANGES IN MEMBER OF BOARD OF DIRECTOR'S AND CHIEF EXECUTIVE'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

According to the Company's announcement dated 3 August 2018, Mr. CHAN Wai Kin has been appointed as an executive Director and vice president of the Company with effect from September 3, 2018.

Mr. LIN Zhaoyang has resigned as an executive Director and joint chief executive officer of the Company with effect from August 27, 2018.

Mr. WANG Benlong, an executive Director has been redesignated as the chief executive officer of the Company with effect from August 27, 2018.

Dr. LOKE Yu has resigned as Company Secretary of Minth Group Ltd with effect from February 8, 2018 and has resigned as the independent non-executive director of Winfair Investment Company Limited with effect from April 3, 2018 and has been appointed as an independent non-executive Director of TC Orient Lighting Holdings Limited (stock code 0515) with effect from June 6, 2018.

Save as disclosed above, there is no other change in Directors' biographical details which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2017 annual report.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2018 (for the six months ended June 30, 2017: Nil).

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, namely Dr. LOKE Yu (alias LOKE Hoi Lam) and Mr. WANG Chuanxu, our independent non-executive Directors, and Mr. OU Guowei, non-executive Director. Dr. LOKE Yu (alias LOKE Hoi Lam) has been appointed as the chairman of the Audit Committee, and is our independent non-executive Director possessing the appropriate professional qualifications. The primary duties of the Audit Committee include: (i) making recommendations regarding the appointment and removal of external auditors of our Company; (ii) reviewing the accounting policies and financial positions of our Company; (iii) reviewing and supervising the internal audit functions and internal control structure of our Company; and (iv) reviewing and overseeing the risk management of our Company.

The Company's unaudited condensed consolidated interim results and interim report for the six months ended June 30, 2018 were reviewed by the Audit Committee before recommendation to the Board for approval.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.zhenrodc.com). The interim report will be dispatched to the shareholders of the Company and will be available on the website of the Stock Exchange and that of the Company in due course.

By order of the Board
Zhenro Properties Group Limited
HUANG Xianzhi
Chairman

Hong Kong, August 27, 2018

As at the date of this announcement, the executive directors of the Company are Mr. Huang Xianzhi and Mr. Wang Benlong, the non-executive directors of the Company are Mr. Ou Guoqiang and Mr. Ou Guowei, and the independent non-executive directors of the Company are Mr. Loke Yu (alias Loke Hoi Lam), Mr. Shen Guoquan and Mr. Wang Chuanxu.