



Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

RESULTS HIGHLIGHTS

- Contracted sales for the six months ended 30 June 2021 amounted to approximately RMB55,770,000,000 with contracted gross floor area sold of approximately 3,220,000 square meters. The contracted average selling price amounted to approximately RMB17,320 per square meter.
- Revenue amounted to approximately RMB16,070,000,000, representing an increase of approximately 44.1% as compared to the six months ended 30 June 2020.
- Gross profit was approximately RMB3,390,000,000, representing an increase of approximately 33.2% as compared to the six months ended 30 June 2020.
- Gross profit margin was 21.1% for the six months ended 30 June 2021.
- Net Profit was approximately RMB2,010,000,000, representing an increase of approximately 92.4% as compared to the six months ended 30 June 2020.
- Profit attributable to the owners of the Company was approximately RMB1,830,000,000, representing an increase of approximately 200.3% as compared to the six months ended 30 June 2020.
- Deposits received from customers (contract liabilities) were approximately RMB77,360,000,000 as at 30 June 2021, representing an increase of approximately 12.0% as compared to 31 December 2020.
- Cash and bank balances were approximately RMB25,480,000,000 as at 30 June 2021.
- Net gearing ratio was 75.9% as at 30 June 2021.
- Cash to current borrowings ratio was 1.5 as at 30 June 2021.
- Assets to liabilities ratio after excluding receipts in advance was 68.3% as at 30 June 2021.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (the “**Radiance Holdings**” or “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) together with the comparative figures for the preceding financial year as follows:

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

For the six months ended 30 June 2021

		2021 (Unaudited) <i>RMB'000</i>	2020 (Unaudited) <i>RMB'000</i>
	<i>Notes</i>		
REVENUE	3	16,066,445	11,153,011
Cost of sales		<u>(12,673,144)</u>	<u>(8,605,131)</u>
GROSS PROFIT		3,393,301	2,547,880
Finance income		96,961	33,541
Other income and gains	3	87,664	16,471
Selling and distribution expenses		(509,407)	(330,067)
Administrative expenses		(481,001)	(451,698)
Finance costs	4	(96,544)	(166,255)
Other expenses		(24,338)	(128,218)
Fair value gains on investment properties		501,186	175,406
Fair value gains or losses from financial assets at fair value through profit or loss		(5,993)	238
Share of profits and losses of:			
Joint ventures		30,309	126,779
Associates		<u>191,277</u>	<u>(36,377)</u>
PROFIT BEFORE TAX	5	3,183,415	1,787,700
Income tax expense	6	<u>(1,171,050)</u>	<u>(742,012)</u>
PROFIT FOR THE PERIOD		<u>2,012,365</u>	<u>1,045,688</u>

		2021 (Unaudited) <i>RMB'000</i>	2020 (Unaudited) <i>RMB'000</i>
	<i>Notes</i>		
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,012,365</u>	<u>1,045,688</u>
Attributable to:			
Owners of the parent		1,825,266	607,812
Non-controlling interests		<u>187,099</u>	<u>437,876</u>
		<u>2,012,365</u>	<u>1,045,688</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period	8	<u>RMB0.45</u>	<u>RMB0.18</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	30 June 2021 (Unaudited) <i>Notes</i> RMB'000	31 December 2020 (Audited) RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	340,312	354,532
Right-of-use assets	121,381	121,185
Investment properties	13,784,000	10,952,600
Intangible assets	20,653	17,609
Investments in joint ventures	3,052,998	2,461,115
Investments in associates	5,461,685	4,911,875
Financial assets at fair value through profit or loss	105,896	110,300
Deferred tax assets	3,346,258	2,884,290
Other non-current assets	1,692,644	1,402,644
Total non-current assets	27,925,827	23,216,150
CURRENT ASSETS		
Properties under development	109,261,672	103,990,664
Completed properties held for sale	10,597,817	12,450,866
Trade receivables	42,262	24,191
Contract cost assets	1,030,230	771,064
Due from related companies	8,732,877	7,314,208
Prepayments, other receivables and other assets	13,435,290	10,455,096
Tax recoverable	837,949	814,489
Financial assets at fair value through profit or loss	79,219	33,808
Cash and bank balances	25,478,996	26,590,952
Total current assets	169,496,312	162,445,338

		30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade and notes payables	10	11,940,237	12,922,569
Other payables and accruals		3,642,783	2,890,303
Contract liabilities		77,358,402	69,086,961
Due to related companies		5,392,316	4,604,199
Tax payable		3,869,916	3,783,703
Interest-bearing bank and other borrowings		7,424,182	9,734,431
Proceeds from asset-backed securities within one year		185,735	770,798
Senior notes		5,092,046	1,745,743
Corporate bonds		4,725,502	7,056,468
Lease liabilities within one year		16,378	15,637
Total current liabilities		<u>119,647,497</u>	<u>112,610,812</u>
NET CURRENT ASSETS		<u>49,848,815</u>	<u>49,834,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,774,642</u>	<u>73,050,676</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		31,256,162	25,868,005
Proceeds from asset-backed securities within one year		2,653,434	2,690,573
Senior notes		–	3,549,874
Corporate bonds		3,060,173	2,358,100
Lease liabilities		7,864	7,402
Deferred tax liabilities		2,696,931	2,464,316
Total non-current liabilities		<u>39,674,564</u>	<u>36,938,270</u>
Net assets		<u><u>38,100,078</u></u>	<u><u>36,112,406</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		35,095	35,095
Reserves		<u>22,247,350</u>	<u>21,527,316</u>
		22,282,445	21,562,411
Non-controlling interests		<u>15,817,633</u>	<u>14,549,995</u>
Total equity		<u><u>38,100,078</u></u>	<u><u>36,112,406</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated 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 31 December 2020.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness.

The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in RMB and foreign currencies based on the Inter Bank Offered Rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendments did not have any impact on the financial position and performance of the Group as the Group did not have any rent concessions arising as a direct consequence of the covid-19 pandemic for the six months ended 30 June 2021.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and sales, property leasing and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, property development and sales is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

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 significant non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from 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 period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	15,877,265	10,977,447
Revenue from other sources		
Property lease income	189,180	175,564
	16,066,445	11,153,011

Disaggregated revenue information from contracts with customers

	For the six months ended	
	30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Types of goods or services:		
Sale of properties	15,794,783	10,916,144
Management consulting services	82,482	61,303
	<u>15,877,265</u>	<u>10,977,447</u>
Total revenue from contracts with customers	<u>15,877,265</u>	<u>10,977,447</u>
Timing of revenue recognition:		
Properties transferred at a point in time	15,794,783	10,916,144
Services transferred over time	82,482	61,303
	<u>15,877,265</u>	<u>10,977,447</u>
Total revenue from contracts with customers	<u>15,877,265</u>	<u>10,977,447</u>

An analysis of other income and gains is as follows:

	For the six months ended	
	30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income and gains		
Gain on disposal of subsidiaries	51,615	–
Investment income from financial assets at fair value through profit or loss	9,024	9,838
Deposit forfeiture	3,977	3,564
Subsidy income	5,843	435
Exchange gain	16,326	–
Others	879	2,634
	<u>87,664</u>	<u>16,471</u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes	1,807,420	1,945,622
Interest on lease liabilities	1,137	1,289
Interest expense arising from revenue contracts	312,134	257,323
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Total interest expense on financial liabilities not at fair value through profit or loss	2,120,691	2,204,234
Less: Interest capitalised	(2,024,147)	(2,037,979)
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	96,544	166,255
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5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold (excluding impairment of properties held for sale)	12,554,637	8,586,740
Cost of services provided and others	24,745	18,391
Impairment of completed properties held for sale	93,762	–
Impairment of financial assets	4,073	(732)
Depreciation of items of property, plant and equipment	18,391	17,854
Amortisation of intangible assets	1,850	2,785
Depreciation of right-of-use assets	13,043	13,613
Rental expenses	2,422	1,582
Auditors' remuneration	2,400	3,325
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	370,466	279,096
Pension scheme contributions and social welfare	49,062	25,117
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6. 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 Company and 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 Hong Kong profits income tax as they did not have any assessable profits currently arising in Hong Kong for the six months ended 30 June 2021 and 2020.

Subsidiaries of the Group operating in Mainland China were subject to the People's Republic of China ("PRC") corporate income tax ("CIT") with a tax rate of 25% during the reporting period (2020: 25%) except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd.*	15%

* According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2020 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang, a subsidiary of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% till 2030.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including land costs, borrowing costs 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.

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current tax:		
PRC CIT	942,431	529,804
PRC LAT	554,748	392,679
Deferred tax	(326,129)	(180,471)
Total tax charge for the period	<u>1,171,050</u>	<u>742,012</u>

7. DIVIDENDS

The proposed final dividend for the year 2020 of HK\$0.32 (equivalent to RMB0.27) per ordinary share, amounting to a total of approximately RMB1,092,211,290, was approved by the Company's shareholders at the annual general meeting held on 12 May 2021. The above-mentioned declared dividend was paid before 30 June 2021.

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

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,045,227,000 (six months ended 30 June 2020: 3,400,000,000) in issue during the reporting period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the reporting periods.

The calculation of the basic earnings per share is based on:

	For the six months ended	
	30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	<u>1,825,266</u>	<u>607,812</u>
	Number of shares	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>4,045,227,000</u>	<u>3,400,000,000</u>

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
Within 1 year	36,177	13,826
1 to 3 years	5,243	9,655
Over 3 years	842	710
	<u>42,262</u>	<u>24,191</u>

10. TRADE AND NOTES PAYABLES

An ageing analysis of the Group's trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
Within 1 year	11,273,940	12,266,813
Over 1 year	666,297	655,756
	<u>11,940,237</u>	<u>12,922,569</u>

As at 30 June 2021, trade payables includes RMB310,382,000 (31 December 2020: Nil) due to suppliers that have signed up to a supply chain financing programme, under which the suppliers can receive a discounted early payment from the special purpose entities ("SPE") rather than being paid in line with the agreed payment terms. Under this arrangement, the Group's liability is assigned by the supplier to be due to the SPE rather than the supplier. The value of the liability payable by the Group remains unchanged. The Group assesses the arrangement against indicators to assess if debts which have been sold by vendors to the funder under the supplier financing scheme continue to meet the definition of trade payables or should be classified as borrowings. As at 30 June 2021, the payables met the criteria of trade payables.

CHAIRMAN’S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to present to all shareholders of the Company (the “**Shareholders**”) the interim results and business review for the six months ended 30 June 2021 as well as the prospects for the second half of 2021 of Radiance Holdings (Group) Company Limited (“**Radiance Holdings**” or the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”).

INTERIM RESULTS

For the six months ended 30 June 2021, the revenue of the Group amounted to RMB16,066.4 million, representing a year-on-year increase of 44.1% as compared to the corresponding period of last year. Gross profit amounted to RMB3,393.3 million, representing a year-on-year increase of approximately 33.2% as compared to the corresponding period of last year. Net profit amounted to approximately RMB2,012.4 million, representing a year-on-year increase of 92.4% as compared to the corresponding period of last year.

BUSINESS REVIEW

Contracted Sales

For the six months ended 30 June 2021, the contracted sales of the Group reached RMB55,770 million with contracted gross floor area sold of approximately 3,220,000 sq.m. The contracted average selling price amounted to approximately RMB17,320 per square meter.

Prudent Investment and Timely Expansion of Land Bank

In the first half of 2021, the Group secured 17 land parcels and the planned gross floor area was approximately 2,218,000 sq.m., covering 11 first-tier and strong second-tier key cities, including Beijing, Chongqing, Ningbo, Zhengzhou and Quanzhou which mainly concentrated in the Yangtze River Delta, Southeastern China and Pearl River Delta regions. The Group insists on deep cultivation in key areas to provide a solid foundation for sustainable growth in the future.

As at 30 June 2021, the total gross floor area of land bank of Radiance Holdings reached approximately 33.07 million sq.m., of which 97.9% was located in second-tier and core third-tier cities, providing the Group with a solid basis for the robust and high-quality growth in the future.

Growth Momentum Driven by Multi-business Layout

While the real estate development sector is under steady development, the Group continues to improve its self-owned properties and hotel management sectors. In February 2021, Fuqing Sheraton Hotel, the first international five-star hotel in Fuqing, commenced operation. In April 2021, the business park of the Group located at southeastern fourth ring of Beijing, namely Radiance Park 18 (金輝時八區), held the launch ceremony to start investment promotion. In June 2021, the Group acquired a hotel project located at the core area of North Bund, Shanghai, representing the Group's foray into the hotel industry of Shanghai. The Group's layout in the hotel industry of Shanghai was another milestone of the operation of diversified business and further strengthened the foundation of the Group in the hotel business sector.

As a time-honoured developer with 25 years of development history, Radiance Holdings has continued to optimize its comprehensive development in various types of property, such as residential, commercial, hotel, office and complex, for the purpose of its industrial layout, in order to further expand the Group's diversified industrial layout and gain growth momentum.

Sound Financial Structure and High Recognition by the Capital Market

Adhering to the sound financial structure, the Group fulfilled all requirements of the "Three Red Lines" by the end of 2020 and the data of the "Three Red Lines" was recorded in the green files, making it one of the first batch of real estate companies that met the standards. During 2021, the Group has continued to realize full compliance with the "Three Red Lines". The sound financial management and the continuously optimized financial structure have further endorsed the high-quality development of Radiance Holdings.

Since the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Listing**"), the Group has further optimized its debt structure and expanded domestic and external financing channels. As of 30 June 2021, the weighted average cost of indebtedness of Group further decreased to 6.95%, representing a decrease of 0.52% as compared to the weighted average cost of indebtedness of 7.47% as of 31 December 2020.

Upon the Listing, Radiance Holdings has been widely recognized by the capital market. The three major international rating agencies have successively adjusted the rating of Radiance Holdings upward, which resulted in a credit ratings of “B+/stable” from S&P, “B1/stable” from Moody’s, and “B+/positive” from Fitch.

In less than half a year upon the Listing, Radiance Holdings was newly selected into the list of constituent stocks of the Hang Seng Composite Index in February 2021 due to its excellent market performance. On 12 May, MSCI, a global index compiler, also announced the results of its quarterly index adjustment for May 2021, pursuant to which, the Company was one of the companies that were newly selected as the constituent stocks of MSCI China Small Cap Index. For Radiance Holdings, such inclusions into the list of constituent stocks of the Hang Seng Composite Index and MSCI China Small Cap Index fully reflected the recognition by the international capital market of the comprehensive strength of Radiance Holdings in respect of its various operational indicators and corporate governance.

ESG Management and Sustainable Development

The Group always insists on shouldering its social responsibility. On 28 June 2021, Radiance Holdings published its 2020 Environmental, Social and Governance (ESG) report. This is the first ESG report published by Radiance Holdings, covering the five aspects of corporate strategy, customer service, innovative products, talent mechanisms and public welfare. The report comprehensively and objectively introduces the vision, strategy and practice of Radiance Holdings on the road to sustainable development, and illustrates the actions proactively taken by Radiance Holdings for promoting sustainable development and the effectiveness thereof in detail.

While achieving a leapfrogging development, Radiance Holdings is also firmly incorporating the ESG concepts into every aspect of corporate management as always. Through continuous improvement and optimization of the governance system, it has continued to reinforce and strengthen sustainable development of the Company, the environment and society. Upholding the corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)”, Radiance Holdings has developed a strong core competitiveness with its premium and diversified product series as well as considerate services. Together with the continuous expansion and enhancement of talent training, culture development and social responsibility, the commitment in and potential for sustainable development of Radiance Holdings have been further demonstrated.

Prestige and Constant Acknowledgement by the Industry

In the 2021 List of China Listed Real Estate Developers in terms of Comprehensive Strengths (2021 中國房地產上市公司綜合實力榜) jointly released by China Real Estate Association and China Real Estate Appraisal Center of E-house China Research Institute, Radiance Holdings ranked 34th among the Top 100 China Listed Real Estate Developers in terms of Comprehensive Strengths in 2021 (2021中國房地產上市公司綜合實力100強) and was recognized as the Top One Listed Company in terms of Development Speed. With many years of persistence in the path of high-quality growth, Radiance Holdings has become a new force in China's listed real estate companies, demonstrating the rapid development momentum of its corporate brand.

For the six months ended 30 June 2021, we have received 13 international and domestic awards in total, of which, 8 were international awards, 4 were domestic awards and 1 was a brand product power award. The awards included “Top 20 Enterprises in terms of Product Power of Property Developer in the PRC in 2020”, “Top 10 Light Luxury Products in the First Half of 2021” from CRIC and the silver award of the BERLIN DESIGN AWARDS.

Participation in Public Welfare and Shouldering Responsibilities

As a socially responsible enterprise, Radiance Holdings has never forgotten to shoulder its social responsibilities by actively participating in public welfare businesses in support of poverty alleviation, education assistance, charitable donation, healthcare service and disaster relief.

On 26 February 2021, the “Donation Ceremony of Medical Projects in Fuqing” (福清市醫療項目捐贈儀式) jointly organized by the Fuqing Municipal Committee of the CPC and the People's Government of Fuqing concluded successfully. At the donation ceremony, Radiance Holdings announced its plan to donate RMB40 million to Fuqing's medical projects in order to support the development of medical business in Fuqing. The Company already donated RMB10 million in early June 2021 for the construction of the second phase of Rongkang Hospital in Fuzhou. On 1 March 2021, Radiance Holdings donated RMB1 million to the dedicated fund of “Light up your Dream (點亮心願)” to support the assistance welfare projects of overseas Chinese in Shanghai.

Going forward, Radiance Holdings will stay true to its original intention and contribute its own efforts to the promotion of education, science, culture, healthcare, sports, overseas Chinese affairs, international exchanges and other causes, striving to become an important participant, promoter and contributor for the development of social charity and public welfare.

PROSPECTS FOR THE SECOND HALF OF 2021

The year 2021 marks the introduction of the 14th Five-Year Plan. Looking ahead, the industry is gradually returning to be rational and returning to the very essence of operation.

In the first half of 2021, the gross domestic product was RMB53.2 trillion, representing a year-on-year increase of 12.7%; the national real estate development investment was RMB7.2 trillion, representing a year-on-year increase of 15.0%; the sales area of commercial housings was 89,000 square meters, representing a year-on-year increase of 27.7%. With the Covid-19 situation becoming more contained, the overall recovery trend of China's national economy is positive and the momentum of steady recovery of China's macro economy will continue to be maintained. Looking forward to the second half of 2021, against the background of the unchanged real estate control policies, the "Three Red Lines" of real estate financing and the tightening of market liquidity margins, and the implementation of the policy of "centralized land supply" and "centralized management of housing loans" bring new challenges to real estate investment, but it also tests the cash flow of operating activities of enterprises and promotes further improvement of sustainable operation capabilities.

Against the current macro background, the Group adheres to the business strategy of keeping expenditure within the limits of revenue, abandoning ineffective land accumulation, insisting on steady investment and further improving the accuracy of land bank expansion. Driven by the macro policy environment, the Group will further stabilize its leverage and increase its turnover rate and improve management quality.

In terms of product power, “Jinhui Yanxuan 3.0” was officially launched in July 2021. Jinhui Yanxuan 3.0” originates from serving the human inhabitation and satisfying the needs of customers in a nutshell. “Jinhui Yanxuan 3.0” keenly captures market changes, continues to iterate and upgrade products and keeping up with the pace of times, so as to incorporate warm technology into smart scene scenarios and present customers with a “safe, green, healthy and warm” smart community space to achieve continuous consolidation and improvement of product power.

In terms of financial management, the Group will continue to comply with relevant regulatory requirements, strengthen financial disciplines, insist on strengthening financial security and maintain sufficient liquidity. We will further innovate financing models, broaden financing channels and further develop low-cost financing channels.

In the same frequency with the city, the Group continues to improve the comprehensive development of multiple types of properties such as residential properties, commercial properties, hotels, offices and complexes, and makes life better through continuous innovation and progress. In the future, the Group will continue to keep abreast with the trend of the times and the pace of urban development, and continue to make efforts in all dimensions to add new highlights to the territory of a better life, empower the city and renew life.

APPRECIATION

On behalf of the Board, I would like to express the most sincere appreciation to all Shareholders, investors, business partners and customers for their support to, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work. In the future, we will continue to uphold the corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)” to achieve quality and sustainable development. We will stay true to our original commitment and move forward with perseverance for the purpose of creating higher value for Shareholders and investors.

Radiance Holdings (Group) Company Limited

Lam Ting Keung

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	For the six months ended 30 June		
	2021	2020	Change in percentage
Highlights of financial information			
Recognised revenue (<i>RMB'000</i>)	16,066,445	11,153,011	+44.1%
Gross profit (<i>RMB'000</i>)	3,393,301	2,547,880	+33.2%
Net profit (<i>RMB'000</i>)	2,012,365	1,045,688	+92.4%
Gross profit margin (%)	21.1%	22.8%	
Net profit margin (%)	12.5%	9.4%	
Earnings per Share (basic and diluted) (<i>RMB cents</i>)	45	18	
	As at 30 June 2021	As at 31 December 2020	Change in percentage
Total assets (<i>RMB'000</i>)	197,422,139	185,661,488	+6.3%
Cash and bank balances (<i>RMB'000</i>)	25,478,996	26,590,952	−4.2%
Total indebtedness (<i>RMB'000</i>) ⁽¹⁾	54,397,234	53,773,992	+1.2%
Net indebtedness (<i>RMB'000</i>) ⁽²⁾	28,918,238	27,183,040	+6.4%
Equity attributable to owners of the parent company (<i>RMB'000</i>)	22,282,445	21,562,411	+3.3%
Current ratio (<i>times</i>) ⁽³⁾	1.4	1.4	
Weighted average cost of indebtedness (%) ⁽⁴⁾	6.95%	7.47%	
Net gearing ratio (%) ⁽⁵⁾	75.9%	75.3%	
Cash to current borrowings ratio ⁽⁶⁾	1.5	1.4	
Liability asset ratio after excluding receipts in advance (%) ⁽⁷⁾	68.3%	69.0%	

Notes:

1. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate banks and senior notes.
2. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
3. Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.
4. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
5. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
6. Cash to current borrowings ratio is calculated by dividing cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by current borrowings (including current interest-bearing bank and other borrowings, current proceeds from asset-backed securities, current senior notes and current corporate bonds).
7. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

CONTRACTED SALES

For the six months ended 30 June 2021, the Group realised contracted sales of approximately RMB55.77 billion with contracted gross floor area (“GFA”) sold of approximately 3,220,000 square meters. The contracted average selling price (“ASP”) amounted to approximately RMB17,320 per square meter. It was mainly attributable to the Group’s strategy of focusing on regional development, expansion of land bank and more diversified source of contracted sales.

Contracted Sales Summary for the six months ended 30 June 2021:

Region/City	Contracted Sales Amount (RMB’000)	Contracted GFA (sq.m)	Contracted ASP (RMB/sq.m)
Hangzhou	8,659,035	295,148	29,338
Suzhou	6,680,977	232,932	28,682
Chongqing	5,777,735	323,755	17,846
Xi’an	4,476,986	260,034	17,217
Hefei	3,507,358	224,200	15,644
Quanzhou	3,278,724	317,359	10,331
Fuzhou	2,605,663	67,565	38,565
Lianyungang	2,450,605	214,630	11,418
Yangzhou	2,192,310	138,611	15,816
Foshan	1,853,756	96,216	19,267
Yancheng	1,616,650	159,099	10,161
Ningbo	1,571,230	74,675	21,041
Fuqing	1,538,663	83,697	18,384
Changsha	1,339,820	138,740	9,657
Zhengzhou	1,148,339	78,260	14,673

Region/City	Contracted Sales Amount (RMB'000)	Contracted GFA (sq.m)	Contracted ASP (RMB/sq.m)
Shijiazhuang	1,116,884	87,470	12,769
Wuhan	1,060,619	69,020	15,367
Xuzhou	912,361	46,845	19,476
Tianjin	882,419	55,391	15,931
Zhenjiang	585,929	56,840	10,308
Nanjing	558,005	34,340	16,249
Jingzhou	523,147	57,792	9,052
Langfang	449,111	33,225	13,517
Chengdu	435,958	39,340	11,082
Huizhou	285,205	18,006	15,839
Shenyang	139,315	8,874	15,699
Nantong	110,903	6,745	16,442
Huai'an	12,289	1,189	10,336
Total	<u>55,769,996</u>	<u>3,219,998</u>	<u>17,320</u>

Note:

Contract sales includes the contract sales of the subsidiaries, joint ventures and associates of the Group. Contracted sales data is unaudited and is prepared based on internal information of the Group. In view of the various uncertainties during the collection of such sales information, such contracted sales data is provided for investors' reference only.

PROPERTY DEVELOPMENT AND SALES

We focus on selected cities in the eight regions of Yangtze River Delta, the Bohai Economic Rim, Eastern China, Central China, Southwestern China, Northwestern China, Southeastern China and Pearl River Delta. The table below sets forth our revenue generated from each region, total GFA delivered in each region and the respective recognised ASP per sq.m. for each region for the periods indicated:

	For the six months ended 30 June							
	2021				2020			
	Revenue		GFA	Recognised	Revenue		GFA	Recognised
	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m</i>	<i>ASP RMB/sq.m</i>	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m</i>	<i>ASP RMB/sq.m</i>
Southeastern China	1,182,428	7.5	67,197	17,596	1,458,703	13.4	95,137	15,333
Eastern China	1,708,731	10.8	159,256	10,729	704,475	6.5	100,973	6,977
Central China	2,788,519	17.7	253,329	11,008	2,880,543	26.4	240,661	11,969
Bohai Economic Rim	2,091,378	13.2	184,178	11,355	2,231,936	20.4	178,167	12,527
Northwestern China	2,818,532	17.9	185,234	15,216	2,179,898	20.0	155,998	13,974
Southwestern China	2,359,377	14.9	261,721	9,015	800,710	7.2	49,018	16,335
Yangtze River Delta	2,753,105	17.4	105,350	26,133	659,416	6.0	15,419	42,766
Pearl River Delta	92,713	0.6	7,442	12,458	463	0.1	45	10,289
Total	<u>15,794,783</u>	<u>100.0</u>	<u>1,223,707</u>	<u>12,907</u>	<u>10,916,144</u>	<u>100.0</u>	<u>835,418</u>	<u>13,067</u>

INVESTMENT PROPERTIES

As at 30 June 2021, the Group had 25 investment properties with a total GFA of approximately 902,076 sq.m., and one of such investment properties was held for future development with an estimated total GFA of 69,530 sq.m.. Save for an investment property that was newly added during the Period, namely Radiance Park 18 (金輝時八區) in Beijing, which was still currently available for letting, the occupancy rate of the remaining investment properties as at 30 June 2021 was 90%, which was broadly the same as that as at 31 December 2020.

PROJECTS UNDER CONSTRUCTION

As at 30 June 2021, the total planned GFA of the Group's projects under construction was 19,069,186 sq.m, representing an increase of approximately 6.0% compared to the total planned GFA of 17,988,604 sq.m as at 31 December 2020.

LAND BANK

For the six months ended 30 June 2021, the Group acquired a total of 17 new land projects. The planned GFA was approximately 2,217,692 sq.m and the planned GFA which the Group had effective equity interests was approximately 1,428,969 sq.m. The total contracted land premium which the Group had effective equity interests was approximately RMB8,897.3 million. Average land acquisition cost was approximately RMB6,226 per sq.m.

As of 30 June 2021, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 33,070,760 sq.m. and 25,381,333 sq.m. respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 30 June 2021:

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group and its subsidiaries						
Southwestern China						
Chongqing	Tianchen Elite's Mansion	Residential/commercial	2022	52,683	108,999	49.0%
Chongqing	Jiangshan Elite's Mansion	Residential/commercial	2021	69,489	307,648	57.6%
Chongqing	Zhongyang King's Garden	Residential/commercial	2019-2022	157,925	271,019	96.0%
Chongqing	Yujiang House	Residential/commercial	2020	77,342	95,615	96.0%
Chongqing	Boshe	Residential/commercial	2020	52,086	32,323	96.0%
Chongqing	Changjiang King's Garden	Residential/commercial	2020	59,031	82,357	96.0%
Chongqing	Jinhui City Phase IV	Residential/commercial	2018	135,452	77,567	96.0%
Chongqing	Jinhui City Phase V	Office building/ commercial	2023	9,932	71,235	96.0%
Chongqing	Binjiang Complex	Commercial	2022	12,738	18,522	96.0%
Chongqing	Jinhui Plaza	Commercial	2015	28,229	123,801	96.0%
Chongqing	Jinhui Elite's Mansion	Residential	2022	25,896	77,546	96.0%
Chongqing	Caihu Yunjing	Residential	2023	44,496	127,739	96.0%
Chongqing	Tanzikou	Residential	2023	25,006	25,006	96.0%
Chongqing	Hushan Elite's Mansion Phase I	Residential/commercial	2022	105,693	237,305	48.0%
Chongqing	Hushan Elite's Mansion Phase II	Residential/commercial	2024	67,358	150,713	48.0%
Chengdu	Jinhui New Block Garden	Residential/commercial	2021	41,112	143,356	96.0%
Chengdu	Fengqi Yunjing	Residential	2023	46,094	121,416	96.0%
Subtotal of Southwestern China region					2,072,167	
Subtotal of interests in Southwestern China region					1,633,622	
Central China						
Wuhan	Jinhui City	Residential/commercial	2026	188,736	636,562	96.0%
Wuhan	Jiangyue Elite's Mansion	Residential/commercial	2024	128,280	650,796	38.4%
Wuhan	Jiangshan Elite's Mansion	Residential/commercial	2025	151,926	895,845	62.4%
Wuhan	New Block Lakeside	Residential/commercial	2020	69,985	78,910	96.0%
Xiangyang	Xiangyang New Block Academy	Residential/commercial	2024	172,056	417,752	72.0%
Changsha	Hongtao Jade Bay Phase I	Residential	2018	22,771	4,433	96.0%
Changsha	Hongtao Jade Bay Phase II	Residential/commercial	2022	37,374	113,687	96.0%
Changsha	Xingyu Academy	Residential/commercial	2023	105,625	405,892	96.0%
Changsha	Xingyue Yundi	Residential/commercial	2023	115,142	359,708	96.0%

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Hefei	Land parcel 06, Hefei New Station	Residential/commercial	2023	61,928	174,118	96.0%
Hefei	New Block Academy	Residential/commercial	2021	100,289	179,823	67.2%
Hefei	Cloudworld Garden	Residential	2020	16,262	7,634	96.0%
Hefei	Xin'an Garden	Residential/commercial	2021	34,505	91,410	96.0%
Hefei	Xin'an Yayuan	Residential/commercial	2023	64,532	177,111	96.0%
Hefei	Xizi Garden	Residential	2020	104,760	49,967	22.1%
Subtotal of Central China region					4,243,648	
Subtotal of interests in Central China region					3,209,055	
Bohai Economic Rim						
Beijing	Chaoyang Port No.1 Block	Office building	2020	73,891	174,907	96.0%
Beijing	Radiance Plaza	Office building/ commercial	2016	11,423	106,212	96.0%
Tianjin	Xueshi Garden	Residential/commercial	2022	80,124	198,622	96.0%
Tianjin	Yunqi Garden	Residential/commercial	2023	40,442	98,572	96.0%
Tianjin	Yunhui Garden	Residential/commercial	2022	36,586	91,460	96.0%
Tianjin	Yunque Garden	Residential/commercial	2022	42,078	95,408	96.0%
Tianjin	Hu'an Garden	Residential/commercial	2021	98,930	26,662	96.0%
Tianjin	Yuncui Garden	Residential/commercial	2021	25,236	66,671	96.0%
Langfang	New Block Riverside Garden	Residential/commercial	2024	167,549	455,719	96.0%
Shijiazhuang	New Block Star	Residential/commercial	2022	39,389	103,534	96.0%
Shijiazhuang	Jinhui Elite's Mansion	Residential/commercial	2020	65,052	76,832	52.8%
Shijiazhuang	New Block (Pinyuan)	Residential	2020	48,378	9,839	32.6%
Shijiazhuang	West District of New Block Shangfu	Residential/commercial	2022	52,543	135,081	96.0%
Shijiazhuang	East District of New Block Shangfu	Residential	2023	35,286	88,456	96.0%
Shijiazhuang	Kaiyuan House	Residential/commercial	2021	54,619	63,000	96.0%
Shijiazhuang	New Block Yayuan	Residential/commercial	2022	45,729	159,941	76.8%
Shenyang	Jiangshan Elite's Mansion	Residential/commercial	2020	127,325	55,693	96.0%
Subtotal of Bohai Economic Rim region					2,006,609	
Subtotal of interests in Bohai Economic Rim region					1,856,211	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Eastern China						
Huai'an	Jinhui City Phase III	Residential/commercial	2022	108,819	352,858	97.4%
Huai'an	Jinhui City Square	Residential/commercial/ office building	2024	93,398	361,372	57.6%
Huai'an	Jinhui City Phase II	Residential/commercial	2020	86,833	22,510	96.0%
Huai'an	Jinhui Swan Bay Phase I	Residential/commercial	2016	66,440	6,682	96.0%
Huai'an	Jinhui Swan Bay Phase II	Residential/commercial	2020	63,426	16,494	96.0%
Huai'an	Jinhui Four Seasons Community Phase II	Residential/commercial	2021	72,902	47,697	96.0%
Huai'an	Jinhui Four Seasons Community Phase I	Residential/commercial	2021	70,750	68,876	96.0%
Huai'an	New Block Garden	Residential/commercial	2023	28,600	112,173	96.0%
Huai'an	New Block Dongjun	Residential/commercial	2024	56,712	146,809	49.0%
Huai'an	New Block Academy	Residential/commercial	2024	29,312	114,911	96.0%
Huai'an	New Block Academy 2	Residential/commercial	2023	52,215	168,784	52.8%
Huai'an	New Block Academy 3	Residential	2024	56,833	183,707	52.8%
Huai'an	New Block Academy 4	Residential	2024	56,913	184,843	52.8%
Huai'an	World City Phase 5	Residential/commercial	2025	20,136	65,538	96.0%
Lianyungang	Jinhui Four Seasons	Residential/commercial	2019	223,045	105,848	96.0%
Lianyungang	Jinhui Four Seasons Guanlan	Residential	2021	49,756	140,306	96.0%
Lianyungang	Yunting Riverside	Residential	2023	97,508	166,438	96.0%
Lianyungang	Parcel LTC2020-19	Residential	2023	34,819	96,905	48.0%
Lianyungang	Yundi	Residential/commercial	2025	165,929	548,024	96.0%
Lianyungang	Peninsula Elite's Mansion	Residential/commercial	2024	61,705	113,563	96.0%
Lianyungang	Parcel C at Houzui	Residential/commercial	2026	93,032	267,947	96.0%
Lianyungang	Parcel D at Houzui	Residential	2028	59,397	189,825	96.0%
Lianyungang	Parcel E at Houzui	Commercial	2025	108,623	148,258	96.0%
Yancheng	Jinhui City	Residential/commercial	2020-2023	76,441	117,181	96.0%
Yancheng	Jinhui New Block Garden	Residential/commercial	2022	31,180	91,843	96.0%
Yancheng	Jinhui Tongyin Yunshang	Residential/commercial	2023	46,650	124,993	29.0%
Yancheng	Parcel at Yancheng Dafeng No. 3 Spinning Factory	Residential/commercial	2023	72,422	195,428	49.0%
Xuzhou	Xinbu Lanting	Residential/commercial	2023	55,982	174,621	96.0%
Xuzhou	Jiangshan Yunjing Community	Residential/commercial	2024	26,358	87,181	48.0%
Zhenjiang	Jinhui Four Seasons Guanlan	Residential/commercial/ hotel	2024	37,422	149,638	96.0%
Zhenjiang	New Block Xinyuan	Residential	2024	76,715	226,857	96.0%
Zhenjiang	Yundu Shangyuan	Residential	2022	50,041	162,947	96.0%
Yangzhou	New Block Avenue	Residential/commercial	2023	128,052	325,719	96.0%
Yangzhou	Eden Garden	Residential/commercial	2021	52,581	5,140	32.0%
Yangzhou	Qihu Cloud Atrium	Residential/commercial	2023	93,813	207,657	64.3%
Yangzhou	Yuedu Cloud Atrium	Residential/commercial	2022	40,819	96,627	47.0%
Subtotal of Eastern China region					5,596,200	
Subtotal of interests in Eastern China region					4,557,075	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Northwestern China						
Xi'an	Jinghe Town	Residential/commercial	2028	697,823	2,538,445	96.0%
Xi'an	Academy Mansion	Residential/commercial	2021	46,649	116,239	96.0%
Xi'an	New Block Avenue	Residential/commercial	2023	189,256	812,326	96.0%
Xi'an	Jinhui World City Upper East Side Phase I	Residential/commercial	2018	43,653	23,001	96.0%
Xi'an	Jinhui World City Upper East Side Phase II	Residential/commercial	2020	22,884	216	96.0%
Xi'an	Gaoxin Elite's Mansion	Residential/commercial	2022	37,326	195,120	96.0%
Xi'an	Jinhui Chang'an Elite's Mansion	Residential/commercial	2023	53,859	219,831	96.0%
Xi'an	Jinhui New Block Garden	Residential/commercial	2020	39,412	2,436	96.0%
Xi'an	Jinhui East King's Garden	Residential/commercial/ hotel	2022	127,015	471,918	96.0%
Xi'an	Jinhui World City Phase A1-2	Residential/commercial	2016	60,300	24,555	96.0%
Xi'an	Jinhui World City Phase A3	Residential/commercial	2019	40,774	34,692	96.0%
Xi'an	Jinhui World City Phase B1-2	Residential/commercial	2016	82,410	21,611	96.0%
Xi'an	Jinhui World City Phase B3	Residential/commercial	2020	26,000	71,742	96.0%
Xi'an	Jinhui World City Phase C1	Residential/commercial	2019	48,700	4,116	96.0%
Xi'an	Jinhui World City Phase C2	Residential/commercial	2020	38,780	165,347	96.0%
Xi'an	Jinhui World City Block D	Residential/commercial	2021	126,133	290,286	96.0%
Xi'an	Jinhui World City Block G	Residential/commercial	2020	28,399	43,318	96.0%
Xi'an	Jinhui Global Plaza Phase I	Office building/ commercial	2017	14,402	64,855	96.0%
Xi'an	Jinhui Global Plaza Phase II	Office building/ commercial	2020	32,247	125,722	96.0%
Xi'an	Jinhui World City Block I/J	Residential/commercial	2028	115,320	618,272	96.0%
Xi'an	Jinhui Building (International Plaza)	Office building/ commercial	2015	15,908	48,685	96.0%
Xi'an	Chuangzhi Building	Office building/ commercial	2019	6,035	20,497	96.0%
Xi'an	Xi'an Jinhui Tianyu Baili Square	Commercial	2023	35,237	292,960	96.0%
Xi'an	Xi'an Jinhui Tianyu Fengxi Elite's Mansion	Residential/commercial	2023	38,775	179,442	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2023	48,549	167,249	49.0%
Zhengzhou	Jinhui Youbu Lanting	Residential	2023	45,442	153,554	96.0%
Zhengzhou	Jinhui Youbu Lanting	Residential	2024	33,704	109,965	96.0%
Subtotal of Northwestern China region					6,816,400	
Subtotal of interests in Northwestern China region					6,465,070	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Southeastern China						
Quanzhou	Shishi Jinhui City Phase I	Residential/commercial	2022	38,866	176,617	81.6%
Quanzhou	Shishi Jinhui City Phase II	Residential/commercial	2025	183,643	802,013	81.6%
Quanzhou	Jinhui New Block Academy	Residential/commercial	2023	30,865	96,877	96.0%
Quanzhou	Parcel No. 11 at Luojiang	Residential/commercial	2023	64,921	219,254	25.0%
Quanzhou	Land parcel J-05-01 at Anxi	Residential/commercial	2023	20,267	20,267	86.4%
Fuzhou	Jinhui New Block Garden	Residential/commercial	2021	19,891	15,819	96.0%
Fuzhou	Jinhui Lanlinxuan	Residential/commercial	2021	63,518	234,216	96.0%
Fuzhou	Huai'an Phase I	Residential/commercial	2014	266,962	4,115	57.6%
Fuzhou	Huai'an Phase II	Residential/commercial	2020	357,309	157,563	57.6%
Fuzhou	Huai'an Phase III	Residential	2021	360,992	93,533	57.6%
Fuzhou	Huai'an Phase V	Residential	2016	56,873	15,609	57.6%
Fuzhou	Radiance Plaza	Commercial	1999	1,141	16,760	96.0%
Fuqing	New Block Avenue	Residential/commercial	2022	43,071	187,159	96.0%
Fuqing	Jiangshan Elite's Mansion	Residential/commercial	2021	49,504	12,890	37.4%
Fuqing	Guanlan Elite's Mansion	Residential/commercial	2020	49,440	13,761	96.0%
Fuqing	New Block Academy	Residential/commercial	2020	53,168	17,432	34.6%
Fuqing	New Block Garden	Residential/commercial	2022	45,138	173,965	49.0%
Fuqing	East Elite's Mansion	Residential	2022	16,330	54,305	49.0%
Fuqing	Zhongyang King's Garden	Residential/commercial	2022	65,225	240,315	67.2%
Fuqing	Land Parcel No.2021 Lot-13	Residential/commercial	2024	91,256	199,094	57.6%
Subtotal of Southeastern China region					2,751,564	
Subtotal of interests in Southeastern China region					1,967,581	
Pearl River Delta						
Foshan	New Block Avenue	Residential/commercial	2021	43,523	73,845	96.0%
Foshan	Lingnan Elite's Mansion	Residential/commercial	2021	17,165	98,943	96.0%
Foshan	New Block Academy	Residential	2020	23,275	16,859	48.0%
Foshan	Yunjing Garden	Residential/commercial	2024	44,207	168,247	48.3%
Foshan	Yunzhu Garden	Residential/commercial	2023	66,439	238,878	96.0%
Huizhou	Dongdi Huayuan	Residential/commercial	2020	19,231	18,187	96.0%
Huizhou	Jinhui Elegant Pavilion	Residential/commercial	2021-2022	49,915	161,060	96.0%
Huizhou	New Block Mansion	Residential/commercial	2022	12,415	41,812	96.0%
Huizhou	Gaoling Phase II	Residential/commercial	2023	67,841	325,596	57.6%
Huizhou	Land parcel at Kaoling Township, Qiuchang Street, Huiyang District	Residential/commercial	2023	39,344	174,545	96.0%
Huizhou	Land parcel at Jiangjun Road, Qiuchang Street, Huiyang District	Residential/commercial	2023	43,506	148,330	96.0%
Huizhou	North of Baiyun district, 67,000 sq.m	Residential/commercial	2023	72,128	173,755	96.0%
Subtotal of Pearl River Delta region					1,640,057	
Subtotal of interests in Pearl River Delta region					1,361,108	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Yangtze River Delta						
Hangzhou	Jiushang Elite's Mansion	Residential	2020	64,505	41,017	96.0%
Hangzhou	Ziya Elite's Mansion	Residential	2020	11,349	21,776	96.0%
Shaoxing	New Block Guanlan Garden	Residential/commercial	2022	70,150	206,910	96.0%
Shaoxing	Shaoxing Mirror Lake	Residential/commercial	2022	48,883	154,388	96.0%
Shaoxing	Peninsula Elite's Mansion	Residential	2022	57,812	123,164	67.2%
Shaoxing	Jingyue Elite's Mansion	Residential	2023	63,210	173,918	96.0%
Suzhou	Sea Breeze Garden	Residential/commercial	2020	18,866	36,546	96.0%
Suzhou	New Block Four Seasons Garden Phase I	Residential	2021	25,934	53,188	96.0%
Suzhou	New Block Four Seasons Garden Phase II	Residential	2022	28,102	58,755	96.0%
Suzhou	Qianwan Commercial Center	Commercial	2019	39,428	50,819	96.0%
Suzhou	Runyuan Mansion Yayuan	Residential	2021	43,611	22,561	96.0%
Suzhou	New Block Jiang Lai	Residential/commercial	2023	85,305	214,216	96.0%
Suzhou	Taichang Block No.17	Commercial	2022	35,504	72,999	96.0%
Suzhou	Riverside Yunjing Garden	Residential/commercial	2022	41,941	98,488	67.2%
Nantong	Parcel R2020-26, West Side of Jinfu Road	Residential	2023	38,049	96,319	96.0%
Wuxi	Xidong King's Garden	Residential	2023	128,379	346,059	49.0%
Shanghai	Jinhui Tiandui Garden	Residential	2019	32,142	9,479	96.0%
Shanghai	Jingang Commercial Plaza	Commercial	2017	31,438	46,484	96.0%
Ningbo	Huiyi Yunting	Residential/commercial	2022	26,477	71,472	96.0%
Ningbo	Jiangyue Waterflow	Residential/commercial	2022	122,292	212,950	57.6%
Ningbo	Zilin Yunting	Residential/commercial	2023	48,012	123,867	96.0%
Ningbo	Chengyang Yunfu	Residential/commercial	2023	25,091	65,127	96.0%
Ningbo	Yuyao Meishan Road Project	Residential/commercial	2023	54,476	136,385	96.0%
Subtotal of Yangtze River Delta region					<u>2,436,887</u>	
Subtotal of interests in Yangtze River Delta region					<u>2,031,017</u>	
Subtotal of land bank developed by the Group and its subsidiaries					<u>27,563,532</u>	
Subtotal of interests in the land bank developed by the Group and its subsidiaries					<u>23,080,737</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group's joint ventures and associates						
Southwestern China						
Chongqing	Luming House	Residential/commercial	2021	157,427	246,433	32.6%
Chongqing	Jinke Jinhui Meiyuan	Residential/commercial	2018-2021	177,239	86,954	47.0%
Chongqing	Jinke Jinhui Bocui Mountain	Residential/commercial	2018-2021	188,419	156,805	47.0%
Chongqing	Liyue Jiangshan	Residential/commercial	2019-2021	61,919	95,590	19.2%
Chengdu	Midea Jinhui Town	Residential	2022	41,940	87,419	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase I	Residential/commercial	2019	39,038	28,544	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase II	Residential/commercial	2019	71,472	91,553	48.0%
Subtotal of Southwestern China region					793,298	
Subtotal of interests in Southwestern China region					313,061	
Central China						
Hefei	Duhui City	Residential/commercial	2022	109,852	184,217	24.0%
Changsha	Jinhui Weichu Mansion	Residential/commercial	2021	60,331	120,878	48.0%
Jingzhou	Chuyue Elite's Mansion	Residential/commercial	2022	51,187	141,453	48.0%
Subtotal of Central China region					446,548	
Subtotal of interests Central China region					170,131	
Bohai Economic Rim						
Tianjin	Yonghe Yayuan	Residential	2022	45,437	90,126	38.4%
Tianjin	Yunzhu Garden	Residential/commercial	2021	62,024	107,526	57.6%
Shijiazhuang	Jinke Tianyu Community	Residential	2026	56,946	161,604	33.6%
Shijiazhuang	Jinke Bocui Garden	Residential	2019	37,004	22,635	24.0%
Shenyang	Jimei Wanxiang	Residential/commercial	2020	78,517	44,043	31.7%
Beijing	Daxing Huang Village Project	Residential/commercial	2024	108,244	358,843	24.0%
Subtotal of Bohai Economic Rim region					784,777	
Subtotal of interests in Bohai Economic Rim region					256,350	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Eastern China						
Lianyungang	New Block Academy	Residential	2020	51,452	33,281	49.0%
Lianyungang	High Tech Cloud	Residential	2023	79,720	220,118	48.0%
Nanjing	Time Mansion	Residential/commercial	2022	131,964	333,764	47.0%
Nanjing	Mansion Yayuan	Residential/commercial	2019	28,257	3,067	57.6%
Yangzhou	Tang Yuan	Residential/commercial	2020	72,660	19,802	48.0%
Yangzhou	Jiangshan Yunjing Community	Residential/commercial	2024	25,157	80,801	48.0%
Yangzhou	Jiangshan Yunjing Community	Residential	2024	24,514	83,246	48.0%
Yangzhou	New Block Riverside	Residential/commercial	2021	50,212	66,664	48.0%
Subtotal of Eastern China region					840,743	
Subtotal of interests in Eastern China region					400,966	
Northwestern China						
Xi'an	Jinhui Mansion	Residential/commercial	2017	64,269	29,205	96.0%
Zhengzhou	Binhe Elite's Mansion	Residential/commercial	2024	88,578	292,028	49.0%
Subtotal of Northwestern China region					321,233	
Subtotal of interests in Northwestern China region					171,013	
Southeastern China						
Fuzhou	Lexin Garden	Residential/commercial	2022	125,737	317,109	31.7%
Fuzhou	Yuzhou Jinhui Zhongyang Garden	Residential/commercial/ office building	2020	45,134	19,129	32.6%
Fuzhou	Jinhui Longyue Garden District 1	Residential	2022	86,558	317,908	57.6%
Fuzhou	Jinhui Longyue Garden District 2	Residential/commercial	2019	19,163	14,367	57.6%
Fuqing	Bright Binjiang	Residential/commercial	2021	99,992	154,109	47.0%
Fuqing	Bright Tianjing	Residential/commercial	2021	26,133	111,366	47.0%
Fuqing	Bright Tianyue	Residential/commercial	2021	36,757	158,131	15.0%
Fuqing	City Plaza	Residential/commercial	2021	75,854	19,011	48.0%
Fuqing	Boyue Mansion	Residential/commercial	2020	41,675	14,922	32.0%
Subtotal of Southeastern China region					1,126,052	
Subtotal of interests in Southeastern China region					460,663	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	State Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Pearl River Delta						
Foshan	Elite's Mansion Mingyuan	Residential/commercial	2021	39,844	146,393	49.0%
Huizhou	Baoliyue Mansion	Residential/commercial	2020	27,990	105,432	32.0%
Subtotal of Pearl River Delta region					251,825	
Subtotal of interests in Pearl River Delta region					105,409	
Yangtze River Delta						
Hangzhou	Zizhangtai Apartment	Residential	2020	68,263	284,428	49.0%
Hangzhou	Huiyi Elite's Mansion	Residential	2020	59,668	46,183	47.0%
Suzhou	Lanxi Bay Yuyuan	Residential	2019	66,738	14,814	30.7%
Suzhou	Shanghu King's Garden	Residential	2019	46,004	22,141	31.7%
Suzhou	Sea Time Garden	Residential	2020	69,206	56,387	15.4%
Suzhou	Huaman Seasons Garden	Residential	2020	32,044	7,219	49.0%
Suzhou	Jiangnan Elite's Mansion	Residential	2020	24,583	36,075	47.0%
Suzhou	Garden Phase I					
Suzhou	Jiangnan Elite's Mansion	Residential	2021	30,760	94,045	47.0%
Suzhou	Garden Phase II					
Suzhou	Jiangnan Elite's Mansion	Commercial/office building	2022	7,239	53,459	47.0%
Suzhou	Garden Phase III					
Suzhou	Runyuan King's Garden	Residential	2019	80,669	34,303	49.0%
Suzhou	Lake Yue Lanting	Residential	2019	59,235	9,707	15.7%
Ningbo	Jinhui & Powerlong Plaza	Residential/commercial	2022	86,528	283,991	47.0%
Subtotal of Yangtze River Delta region					942,752	
Subtotal of interests in Yangtze River Delta region					423,003	
Subtotal of land bank developed by the Group's joint ventures and associates					5,507,228	
Subtotal of interests in the land bank developed by the Group's joint ventures and associates					2,300,596	
Total					33,070,760	
Total interests					25,381,333	

Note:

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects, (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

LAND ACQUISITION IN 2021

For the six months ended 30 June 2021, the Group acquired a total of 17 new land projects. The planned GFA was approximately 2,217,692 sq.m and the planned GFA which the Group had effective equity interests was approximately 1,428,969 sq.m. The total contracted land premium which the Group had effective equity interests was approximately RMB8,897.3 million. Average land acquisition cost was approximately RMB6,226 per sq.m.

Set out below are the details of the most recent acquisitions of land parcels by the Group for the six months ended 30 June 2021:

No.	City	Project	Attributable Interests Held by the Group (%)	Total Land Premium (RMB'000)	Attributable Land Premium (RMB'000)	Total Site Area (sq.m)	Estimated Planned GFA (sq.m)	Attributable Planned GFA (sq.m)
1	Beijing	Parcel at Daxing Huang Village	24	4,587,380	1,100,971	108,200	358,843	86,122
2	Ningbo	Land parcel on the Eastern side of Ziling Road, Yuyao	96	1,231,000	1,181,760	48,012	90,948	87,310
3	Ningbo	Land parcel on the Northern side of Meishan Road and the Eastern side of Sima Road, Yuyao	96	1,265,210	1,214,602	54,476	94,426	90,649
4	Ningbo	Land parcel on the Northern side of Cixi Exhibition Centre	96	573,890	550,934	25,091	46,333	44,480
5	Xuzhou	Parcel B at Taoloushan, Xuzhou	48	504,500	242,160	25,157	59,583	28,600
6	Xuzhou	Parcel A at Taoloushan, Xuzhou	48	531,300	255,024	26,358	62,417	29,960
7	Xuzhou	Parcel C at Taoloushan, Xuzhou	48	518,700	248,976	24,514	60,503	29,041
8	Yancheng	2021-c-2 at Dafeng District, Yancheng	49	910,600	445,830	72,422	199,752	97,799
9	Huai'an	Land parcel on the Eastern side of World City, Huai'an	96	200,000	192,000	20,136	50,340	48,326
10	Zhengzhou	Land parcel 78# in Zhongmou New City	96	279,950	268,752	47,100	117,554	112,852
11	Zhengzhou	Plot 13 at the New District in North Xinzheng (originally No. 60)	96	141,560	135,898	33,700	84,651	81,265
12	Xiangyang	Land parcel at Xiangyang High-tech area	72	826,000	594,720	172,000	309,694	222,980

No.	City	Project	Attributable	Total Land	Attributable	Total	Estimated	Attributable
			Interests Held by the Group (%)	Premium (RMB'000)	Land Premium (RMB'000)	Site Area (sq.m)	Planned GFA (sq.m)	Planned GFA (sq.m)
13	Chongqing	Parcel at Tanzikou	96	800,000	768,000	25,000	60,015	57,615
14	Huizhou	67,000 Project at Huiyang	96	1,091,090	1,047,447	72,000	247,509	237,609
15	Quanzhou	Parcel No. 11 at Luojiang, Quanzhou	25	392,000	97,843	64,921	175,287	43,752
16	Quanzhou	Parcel 2021-5	86	258,000	222,912	20,266	53,827	46,507
17	Fuqing	Land parcel 13# on the Eastern side of Fuqing City	58	572,000	329,472	91,256	146,010	84,102
Total				<u>14,683,180</u>	<u>8,897,301</u>	<u>930,609</u>	<u>2,217,692</u>	<u>1,428,969</u>

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2021, the revenue of the Group was approximately RMB16,066.4 million, represented an increase of 44.1% as compared to RMB11,153.0 million of the corresponding period last year. Our revenue mainly derived from the development and sales of the Group's residential properties and commercial properties, we also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to our joint ventures and associates.

The table below sets forth the certain information related to our revenue:

	For the six months ended 30 June			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development and sales	15,794,783	98.3	10,916,144	97.9
Residential	15,177,043	94.5	9,425,360	84.5
Commercial	617,740	3.8	1,490,784	13.4
Property leasing	189,180	1.2	175,564	1.6
Management consulting services	82,482	0.5	61,303	0.5
Total	<u>16,066,445</u>	<u>100.0</u>	<u>11,153,011</u>	<u>100.0</u>

Revenue from Property Development and Sales

For the six months ended 30 June 2021, the revenue from property development and sales was approximately RMB15,794.8 million, representing an increase of 44.7% as compared to RMB10,916.1 million of the corresponding period last year. The increase in the Group's revenue from property development and sales was primarily attributable to an increase in the number of completed and delivered property projects of the Group, which resulted in an increase in the Group's total GFA delivered, especially in Eastern China and Southeastern China regions which showed greater increase during the Period.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income increased by approximately 7.7% to RMB189.2 million for the six months ended 30 June 2021 from RMB175.6 million for the six months ended 30 June 2020. The increase was mainly due to our rental reduction or waiver measures implemented in respect of our investment properties during the Covid-19 epidemic in 2020 and such measures were no longer implemented during the Period.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services increased by approximately 34.6% to RMB82.5 million for the six months ended 30 June 2021 from RMB61.3 million for the six months ended 30 June 2020, which was mainly due to us providing management consulting services to more projects developed by our joint ventures and associates during the Period.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the six months ended 30 June 2021, our cost of sales amounted to approximately RMB12,673.1 million, representing an increase of 47.3% as compared to that of RMB8,605.1 million for the six months ended 30 June 2020. The increase was primarily attributable to an expansion in the scale of our operations and accordingly an increase in our corresponding total GFA delivered.

Gross Profit and Gross Profit Margin

The Group's gross profit increased to RMB3,393.3 million for the six months ended 30 June 2021 from RMB2,547.9 million for the six months ended 30 June 2020.

The Group's gross profit margin decreased to 21.1% for the six months ended 30 June 2021 from 22.8% for the six months ended 30 June 2020.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits. The Group's finance income increased by approximately 189.6% to RMB97.0 million for the six months ended 30 June 2021 from RMB33.5 million for the six months ended 30 June 2020. The increase was mainly due to the increase in the Group's bank balances which led to the increase in interest income generated by deposits during the six months ended 30 June 2021.

Other Income and Gains

The Group's other income and gains increased to RMB87.7 million for the six months ended 30 June 2021 from RMB16.5 million for the six months ended 30 June 2020, which was mainly due to the gain from disposal of subsidiaries.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses increased by approximately 54.3% to RMB509.4 million for the six months ended 30 June 2021 from RMB330.1 million for the six months ended 30 June 2020, which was primarily attributable to the expansion of operating scope, resulting in an increase of marketing expenses.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Groups leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses increased by approximately 6.5% to RMB481.0 million for the six months ended 30 June 2021 from RMB451.7 million for the six months ended 30 June 2020, which was primarily attributable to the increase in tax and office expenses as we expand our operation scale.

Finance Cost

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the Period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost decreased by approximately 42.0% to RMB96.5 million for the six months ended 30 June 2021 from RMB166.3 million for the six months ended 30 June 2020, which was primarily attributable to the decrease in the weighted average cost of indebtedness of interest-bearing debts and the decrease in the balance of weighted average debts.

The Group's weighted average cost of indebtedness as at 30 June 2021 was approximately 6.95% (31 December 2020: 7.47%).

Other Expenses

The Group's other expenses decreased by approximately 81.0% to RMB24.3 million for the six months ended 30 June 2021 from RMB128.2 million for the six months ended 30 June 2020, which was primarily attributable to the donation made for fighting against Covid-19 pandemic and other community charity.

Fair Value Gains on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of our investment properties. For the six months ended 30 June 2021, the Group recorded fair value gains on investment properties of RMB501.2 million, representing an increase of 185.7% as compared to that of RMB175.4 million for the six months ended 30 June 2020. Such increase was primarily due to the addition of Radiance Park 18 (金輝時八區) in Beijing to our investment properties portfolio in 2021, and accordingly we recorded a relatively high level of appreciation in value as compared to the corresponding period of 2020.

Share of Profits of Joint Ventures

For the six months ended 30 June 2021, the Group recorded share of profits of joint ventures of RMB30.3 million, while we recorded share of profits of joint ventures of RMB126.8 million for the six months ended 30 June 2020. Such change was mainly attributable to the decrease in total GFA delivered of the property projects held by the Group's joint ventures during the Period.

Share of Losses/Profits of Associates

The Group's share of associates increased to profits of RMB191.3 million for the six months ended 30 June 2021 from losses of RMB36.4 million for the six months ended 30 June 2020, which was primarily attributable to the profits generated by the delivered property projects held by the Group's associates during the six months ended 30 June 2021.

Profit before Tax

The Group's profit before tax increased by approximately 78.1% to RMB3,183.4 million for the six months ended 30 June 2021 from RMB1,787.1 million for the six months ended 30 June 2020.

Income Tax Expenses

The Group's income tax expenses for the Period included the provision made for PRC enterprise income tax and land appreciation tax. The Group's income tax expenses increased by approximately 57.8% to RMB1,171.1 million for the six months ended 30 June 2021 from RMB742.0 million for the six months ended 30 June 2020, which was primarily attributable to the increase in enterprise income tax and land appreciation tax as a result of the increase in our taxable profit and property sales.

The effective enterprise income tax rate (i.e. income tax divided by profit before tax) of the Group for the six months ended 30 June 2021 was 36.8%, as compared to that of 41.5% for the six months ended 30 June 2020.

Profit for the Period

As a result of the change in the Group's financial data mentioned above, the profit for the Period of the Group increased by approximately 92.4% to RMB2,012.4 million during the six months ended 30 June 2021 from RMB1,045.7 million during the six months ended 30 June 2020.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 30 June 2021, the Group's net current assets was RMB49,848.8 million (31 December 2020: RMB49,834.5 million). In particular, the Group's total current assets increased by 4.3% to RMB169,496.3 million as at 30 June 2021 from RMB162,445.3 million as at 31 December 2020. The Group's total current liabilities increased by 6.3% to RMB119,647.5 million as at 30 June 2021 from RMB112,610.8 million as at 31 December 2020. The increase of the Group's total current assets was mainly attributable to (i) increase in properties under development as we expanded our business; (ii) increase in the amounts due from related parties; and (iii) increase in prepayments, other receivables and other assets, such increase was partly offset by (i) increase in contract liabilities as a result of increase in sales of properties; and (ii) increase in maturing senior notes.

Cash Position

As at 30 June 2021, the Group's cash on hand and at banks was RMB25,479.0 million (31 December 2020: RMB26,591.0 million). Excluding the restricted cash and pledged deposits, our cash and cash equivalents amounted to RMB18,690.8 million, of which RMB17,911.3 million, RMB759.9 million and RMB19.6 million (31 December 2020: RMB20,732.1 million, of which RMB17,918.8 million, RMB2,548.6 million and RMB264.7 million) were denominated in Renminbi, Hong Kong dollars and US dollars.

Indebtedness

As at 30 June 2021, the Group's outstanding borrowings amounted to RMB54,397.2 million (31 December 2020: RMB53,774.0 million), save for the RMB5,092.0 million senior notes which were denominated in US dollars and the RMB141.9 million bank loans which were denominated in Hong Kong dollars, all other borrowings of the Group were denominated in Renminbi.

The table below sets forth the components of our borrowings as of the dates indicated:

	As at 30 June 2021 <i>RMB'000</i>	As at 31 December 2020 <i>RMB'000</i>
Current		
Bank loans – secured	142,015	12,561
Other loans – unsecured	218,500	–
Current portion of long term		
bank loans – secured	6,519,106	5,727,540
Current portion of other loans – secured	544,561	3,994,330
Corporate bonds	4,725,502	7,056,468
Senior notes	5,092,046	1,745,743
Proceeds from asset-backed securities	185,735	770,798
Total current	17,427,465	19,307,440

	As at 30 June 2021 <i>RMB'000</i>	As at 31 December 2020 <i>RMB'000</i>
Non-current		
Bank loans – secured	29,433,772	22,612,905
Other loans – secured	1,822,390	3,255,100
Corporate bonds	3,060,173	2,358,100
Senior notes	–	3,549,874
Proceeds from asset-backed securities	2,653,434	2,690,573
Total non-current	36,969,769	34,466,552
Total borrowings	54,397,234	53,773,992
Secured	41,301,013	39,063,807
Unsecured	13,096,221	14,710,185
Total borrowings	54,397,234	53,773,992

The following table sets out the maturity of the Group's total borrowings as at the dates indicated:

	As at 30 June 2021 <i>RMB'000</i>	As at 31 December 2020 <i>RMB'000</i>
Bank loans repayable:		
Within one year	6,661,121	5,740,101
In the second year	12,425,022	11,909,435
In the third to fifth years, inclusive	16,904,350	10,574,470
Over five years	104,400	129,000
	<u>36,094,893</u>	<u>28,353,006</u>
Other borrowings repayable:		
Within one year	763,061	3,994,330
In the second year	1,822,390	3,155,100
In the third to fifth years, inclusive	–	100,000
	<u>2,585,451</u>	<u>7,249,430</u>
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	10,003,283	9,573,009
Between one and four years	3,253,173	6,156,321
Over four years	2,460,434	2,442,226
	<u>15,716,890</u>	<u>18,171,556</u>
Total	<u><u>54,397,234</u></u>	<u><u>53,773,992</u></u>

The table below sets forth the proportion of the components of the Group's borrowings as of the dates indicated:

	As at 30 June 2021		As at 31 December 2020	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Bank borrowings	36,094,893	66.3	28,353,006	52.7
Other borrowings	2,585,451	4.8	7,249,430	13.5
Senior notes	5,092,046	9.4	5,295,617	9.9
Corporate bonds	7,785,675	14.3	9,414,568	17.5
Proceeds from asset-backed securities	2,839,169	5.2	3,461,371	6.4
Total	<u>54,397,234</u>	<u>100.0</u>	<u>53,773,992</u>	<u>100.0</u>

Pledge of Assets

As at 30 June 2021, the Group's borrowings were secured by our assets in the amount of RMB70,714.0 million (31 December 2020: RMB64,652.0 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale; (vi) financial assets at fair value through profit or loss; (vii) pledged deposits; and (viii) right-of-use assets.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantially all of its revenue and expenses are denominated in Renminbi. As at 30 June 2021, among the Group's cash and bank balances, RMB759.9 million and RMB19.6 million was denominated in Hong Kong dollars and US dollars, respectively, senior notes of RMB5,092.0 million were denominated in US dollars and bank loans of RMB141.9 million were denominated in Hong Kong dollars, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews our liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and has the right to claim such amounts from the defaulting purchaser. The Group did not incur any material losses during the Period in respect of the guarantees provided for mortgage facilities granted to purchasers of our completed properties held for sale. Our Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value are immaterial. As such, no provision has been made in connection with the guarantees.

As at 30 June 2021, the Group has provided guarantees to the banks amounting to RMB36,779.9 million (31 December 2020: RMB34,134.7 million) in total for the financing granted to the purchasers of our properties. As at 30 June 2021, the Group has provided guarantees to the banks and other institutions amounting to RMB2,150.0 million (31 December 2020: RMB5,515.5 million) in total for the financing granted to related companies of the Group. During the Period, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. Our Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of our Group for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during its ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 30 June 2021, the Group had capital commitment of RMB33,690.5 million (31 December 2020: RMB28,896.8 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 30 June 2021, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 25 June 2021, Beijing Jinhui Chuangling Technology Co., Ltd. (“**Beijing Jinhui**”), a 96% non-wholly owned subsidiary of the Company, as the purchaser entered into an equity transfer agreement with Shanghai Greenland Hotel and Tourism (Group) Co., Ltd (“**GHTG**”), as the vendor, pursuant to which Beijing Jinhui has conditionally agreed to acquire, and GHTG has conditionally agreed to sell, the entire equity interests in Shanghai Jiulong Hotel Co., Ltd. (“**Shanghai Jiulong Hotel**”) for the consideration in the amount of RMB860,000,000. The hotel held by Shanghai Jiulong Hotel is located in the core area of Shanghai with a superior geographical location, which will help strengthen the Group’s development in the hotel business sector. Further details of the said acquisition of Shanghai Jiulong Hotel were disclosed in the announcement of the Company dated 25 June 2021.

Save as disclosed above, the Group had no other significant investments held or significant acquisitions of subsidiaries, associates and joint ventures during the six months ended 30 June 2021.

Future Plan for Significant Investment

Save as disclosed in this announcement, the Group did not have any other immediate plans for material investments and capital assets as at 30 June 2021.

Use of Proceeds from the Listing

Net proceeds from the Listing (including the partial exercise of the over-allotment options), after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to approximately HK\$2,691.9 million (equivalent to approximately RMB2,332.3 million). As of the date of this announcement, the net proceeds received from the Listing have been used in a manner consistent with the proposed allocations in the prospectus of the Company dated 16 October 2020. As at 30 June 2021, the Group has utilized all of the proceeds from the Listing in the amount of approximately RMB2,332.3 million, of which: (i) approximately RMB233.2 million was allocated for general business operations and working capital; and (ii) approximately RMB699.7 million was used to repay part of our existing entrusted loans for our development projects; and (iii) approximately RMB1,399.4 million was used to finance the Group's existing property projects.

As at 30 June 2021, the planned usage and actual usage of the net proceeds raised in the initial public offering are as follows:

	Proportion of net proceeds	Amounts available for use (RMB million)	Amounts utilized in 2020 (RMB million)	Amounts utilized in 2021 (RMB million)	Utilized amounts (until 30 June 2021) (RMB million)	Unutilized amounts (until 30 June 2021) (RMB million)
The construction costs of the Group's current property projects	60%	1,399.4	282.2	1,117.2	1,399.4	0.0
Repayment of trust loans	30%	699.7	620.2	79.5	699.7	0.0
General business operations and working capital	10%	233.2	233.2	0.0	233.2	0.0
	100%	2,332.3	1,135.6	1,196.7	2,332.3	0.0

EMPLOYEES

As at 30 June 2021, the Group had a total of 3,724 employees, and most of them were based in China. For the six months ended 30 June 2021, staff costs (including Directors' remuneration) was approximately RMB419.5 million (for the six months ended 30 June 2020: approximately RMB304.2 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

EVENTS AFTER THE REPORTING PERIOD

Completion of the issuance of corporate bonds in the principal amount of RMB0.85 billion in the PRC

Radiance Group Co., Ltd.* (金輝集團股份有限公司) (the "**Subsidiary**"), an indirect non-wholly owned subsidiary of the Company, has issued the Second Tranche of 2021 Corporate Bonds to qualified professional investors on 28 and 29 July 2021, respectively, with an aggregate principal amount of RMB0.85 billion at a coupon rate of 6.95% (the "**Second Tranche of 2021 Corporate Bonds**"). The Second Tranche of 2021 Corporate Bonds has a maturity of five years. The Subsidiary shall be entitled to adjust the coupon rate and the holders of the Second Tranche of 2021 Corporate Bonds shall be entitled to sell back the Second Tranche of 2021 Corporate Bonds after the end of the second anniversary and the fourth anniversary. Details of the Second Tranche of 2021 Corporate Bonds are set out in the Company's announcement dated 29 July 2021.

* For identification purposes only

Establishment of Asset-Backed Securities Program

On 30 July 2021, the establishment of the “SWS MU–Radiance Commercial Properties Asset-backed Securities Program”* (申萬菱信—金輝商業物業資產支持專項計劃)(the “**ABS Program**”) was completed, of which SWS MU (Shanghai) Asset Management Co., Ltd. is the manager of the ABS Program. Under the ABS Program, the Subsidiary will issue Radiance Commercial Properties Asset-Backed Securities (the “**ABS**”) to qualified investors. The total issue size of the ABS Program is RMB1.75 billion. Details of the establishment of the ABS Program are set out in the Company’s announcement dated 30 July 2021.

Save as disclosed above, the Group has no other material events after the Period that is required to be disclosed subsequent to 30 June 2021 and up to the date of this announcement.

** For identification purposes only*

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the six months ended 30 June 2021, the Company applied the principles of and fully complied with the code provisions as set out in the Corporate Governance Code (“**CG Code**”) except for the following deviation from provision A.2.1 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision A.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from CG Code provision A.2.1 is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group’s operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors’ dealings in the securities of the Company since the Listing. Upon specific enquiries of all the Directors, each of them has confirmed that he had complied with all applicable code provisions under the Model Code during the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Board established an audit committee with written terms of reference in compliance with the CG Code. The terms of reference of the audit committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the audit committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The audit committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the audit committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The audit committee has reviewed the interim results for the six months ended 30 June 2021. The interim results for the six months ended 30 June 2021 has not been audited but has been reviewed by Ernst & Young, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2021.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's interim report for the six months ended 30 June 2021 will be despatched to shareholders and published on the aforementioned websites in due course.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 12 August 2021

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Chen Chaorong and Mr. Huang Junquan and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.