

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

三盛控股

Sansheng Holdings (Group) Co. Ltd.

Sansheng Holdings (Group) Co. Ltd.

三盛控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2183)

2021 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of Sansheng Holdings (Group) Co. Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021, together with comparative figures for the previous period, as follows:

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2021, the Group’s total revenue increased by 198.9% to approximately RMB5,131.8 million (for the six months ended 30 June 2020 (restated): approximately RMB1,716.8 million).
- For the six months ended 30 June 2021, the profit of the Group increased by 394.9% to approximately RMB651.8 million (for the six months ended 30 June 2020 (restated): approximately RMB131.7 million).
- The profit attributable to the equity shareholders of the Company for the six months ended 30 June 2021 increased by 293.1% to approximately RMB625.9 million (for the six months ended 30 June 2020 (restated): approximately RMB159.2 million).
- The Group’s basic earnings per share for the six months ended 30 June 2021 was RMB1.28 (for the six months ended 30 June 2020 (restated): RMB0.32).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2021 – unaudited (Expressed in Renminbi)

		Six months ended 30 June	
	Note	2021 RMB'000	2020 RMB'000 (restated) (Note)
Revenue	3	5,131,755	1,716,768
Cost of sales		<u>(4,025,451)</u>	<u>(1,026,475)</u>
Gross profit		1,106,304	690,293
Net valuation gain/(loss) on investment properties		5,492	(41,056)
Other income/(loss)	4	24,174	(1,389)
Selling and marketing expenses		(208,054)	(113,196)
Administrative expenses		<u>(253,342)</u>	<u>(117,798)</u>
Profit from operations		674,574	416,854
Finance costs	5(a)	(37,720)	(10,392)
Share of profit less losses of joint ventures		<u>9,705</u>	<u>(4,746)</u>
Profit before taxation		646,559	401,716
Income tax	6	<u>5,246</u>	<u>(269,999)</u>
Profit for the period		<u>651,805</u>	<u>131,717</u>
Attributable to:			
Equity shareholders of the Company		625,917	159,239
Non-controlling interests		<u>25,888</u>	<u>(27,522)</u>
Profit for the period		<u>651,805</u>	<u>131,717</u>
Earnings per share			
Basic (RMB)	7	<u>1.28</u>	<u>0.32</u>

Note: The Group has restated the comparative information as a result of the business combination under common control as set out in note 1(b).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2021 – unaudited (Expressed in Renminbi)

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i> (restated) <i>(Note)</i>
Profit for the period	651,805	131,717
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	3,710	(1,457)
Other comprehensive income for the period	3,710	(1,457)
Total comprehensive income for the period	655,515	130,260
Attributable to:		
Equity shareholders of the Company	629,627	157,782
Non-controlling interests	25,888	(27,522)
Total comprehensive income for the period	655,515	130,260

Note: The Group has restated the comparative information as a result of the business combination under common control as set out in note 1(b).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2021 – unaudited (Expressed in Renminbi)

		At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Non-current assets			
Investment properties		2,401,979	2,389,545
Other property, plant and equipment		943,937	938,787
Properties under development		110,312	110,312
Prepaid lease payments		427,730	434,981
Interests in joint ventures		717,704	536,591
Deferred tax assets		687,208	547,132
		<u>5,288,870</u>	<u>4,957,348</u>
Current assets			
Inventories and other contract costs		39,794,673	38,318,281
Trade and other receivables	8	5,873,420	5,033,465
Prepaid lease payments		14,499	14,499
Prepaid tax		810,037	662,294
Financial assets at fair value through profit or loss		50,145	85,420
Restricted deposits	9	160,885	119,217
Cash and cash equivalents		8,095,336	7,385,858
		<u>54,798,995</u>	<u>51,619,034</u>
Current liabilities			
Bank loans and other borrowings	10	4,004,837	3,255,522
Bonds payable	11	770,615	931,544
Due to Fuzhou Sansheng	12	650,000	650,000
Trade and other payables	13	6,464,168	7,133,975
Lease liabilities		2,124	3,252
Contract liabilities		24,657,483	20,204,783
Current taxation		1,777,040	1,731,768
		<u>38,326,267</u>	<u>33,910,844</u>
Net current assets		<u>16,472,728</u>	<u>17,708,190</u>
Total assets less current liabilities		<u>21,761,598</u>	<u>22,665,538</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

at 30 June 2021 – unaudited (Expressed in Renminbi)

		At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
	<i>Note</i>		
Non-current liabilities			
Bank loans and other borrowings	<i>10</i>	12,227,880	13,278,836
Bonds payable	<i>11</i>	459,828	459,828
Due to Fuzhou Sansheng	<i>12</i>	758,928	2,420,193
Lease liabilities		9,530	10,727
Deferred tax liabilities		365,530	334,050
		13,821,696	16,503,634
NET ASSETS		7,939,902	6,161,904
CAPITAL AND RESERVES			
Share capital		39,354	39,354
Reserves		2,551,244	2,019,736
Total equity attributable to equity shareholders of the Company		2,590,598	2,059,090
Non-controlling interests		5,349,304	4,102,814
TOTAL EQUITY		7,939,902	6,161,904

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 BASIS OF PRESENTATION

(a) Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 20 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA.

(b) Merger accounting and restatements

On 24 August 2020, Total Prestige Holdings Limited (“Total Prestige”), a direct wholly owned subsidiary of the Company, entered into a sale and purchase agreement to conditionally acquire the entire issued share capital of Rosy Path Group Limited (“Rosy Path”) from Mega Regal Limited (“Mega Regal”), which is controlled by Mr. Lin Rongbin, for a consideration of HK\$347,349,600. Upon the completion of the transaction on 24 November 2020, 49,480,000 new shares have been allotted and issued as fully paid to Mega Regal at the issue price of HK\$7.02 per consideration share.

Rosy Path was incorporated in the British Virgin Islands (“BVI”) on 15 May 2020. Prior to its incorporation, the business was conducted through certain domestic project companies established in the PRC which are indirectly controlled by Mr. Lin Rongbin. To facilitate the proposed acquisition mentioned as above, Rosy Path and the project companies underwent a reorganisation. Upon completion of the reorganisation on 30 September 2020, Rosy Path became the holding company of the group acquired by the Group.

Prior to and after the reorganisation and the acquisition, Rosy Path and its subsidiaries (collectively, “Rosy Path Group”) and the Company were all under the common control of Mr. Lin Rongbin. The control is not transitory and, consequently, there was a continuation of risks and benefits to Mr. Lin Rongbin. Accordingly, the reorganisation and acquisition is treated as a combination of businesses under common control, and Accounting Guideline 5 (“AG5”), *Merger Accounting for Common Control Combinations*, issued by HKICPA has been applied. The consolidated financial statements of the Group have been therefore prepared using the merger basis of accounting as if the current group structure had been in existence throughout the periods presented. The net assets of the companies comprising the Rosy Path Group have been consolidated using the existing book values from the perspective of Mr. Lin Rongbin.

Comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the beginning of the comparative period unless the combining entities or businesses first came under common control at a later date.

The consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income include the results of combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination. The consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income also take into account the profit or loss attributable to the non-controlling interest recorded in the consolidated financial statements of the controlling party. The effects of all transactions between the combining entities or businesses, whether occurring before or after the common combination, are eliminated.

A uniform set of accounting policies is adopted when preparing the consolidated financial statements.

The effects of the application of merger accounting on the consolidated statement of profit or loss for the six months ended 30 June 2020 are as follows:

	For the six months ended 30 June 2020 as previously reported RMB'000	Adjustments for the combination using merger accounting RMB'000	For the six months ended 30 June 2020 as restated RMB'000
Revenue	1,595,298	121,470	1,716,768
Cost of sales	(972,774)	(53,701)	(1,026,475)
Gross profit	622,524	67,769	690,293
Net valuation gain/(loss) on investment properties	589	(41,645)	(41,056)
Other loss	(4,207)	2,818	(1,389)
Selling and marketing expenses	(88,490)	(24,706)	(113,196)
Administrative expenses	(86,570)	(31,228)	(117,798)
Profit from operations	443,846	(26,992)	416,854
Finance costs	(9,871)	(521)	(10,392)
Share of losses of joint ventures	(4,746)	–	(4,746)
Profit before taxation	429,229	(27,513)	401,716
Income tax	(281,957)	11,958	(269,999)
Profit for the period	<u>147,272</u>	<u>(15,555)</u>	<u>131,717</u>
Attributable to:			
Equity shareholders of the Company	171,891	(12,652)	159,239
Non-controlling interests	(24,619)	(2,903)	(27,522)
Profit for the period	<u>147,272</u>	<u>(15,555)</u>	<u>131,717</u>
Earnings per share			
Basic (RMB)	<u>0.39</u>		<u>0.32</u>

The effects of the application of merger accounting on the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2020 are as follows:

	For the six months ended 30 June 2020 as previously reported RMB'000	Adjustments for the combination using merger accounting RMB'000	For the six months ended 30 June 2020 as restated RMB'000
Profit for the period	147,272	(15,555)	131,717
Other comprehensive income for the period (after tax and reclassification adjustments):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	(1,457)	–	(1,457)
Other comprehensive income for the period	(1,457)	–	(1,457)
Total comprehensive income for the period	<u>145,815</u>	<u>(15,555)</u>	<u>130,260</u>
Attributable to:			
Equity shareholders of the Company	170,434	(12,652)	157,782
Non-controlling interests	(24,619)	(2,903)	(27,522)
Total comprehensive income for the period	<u>145,815</u>	<u>(15,555)</u>	<u>130,260</u>

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. With the extended time limit, certain rent concessions that were previously ineligible for the practical expedient because of the original time limit, become eligible. Accordingly, these rent concessions, which were previously accounted for as lease modifications, are now accounted for as negative variable lease payments, and are recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. The amendments do not have an impact on the opening balance of equity at 1 January 2021 as the Group did not have such rent concessions.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”). The amendments do not have an impact on this interim financial report as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

3 REVENUE AND SEGMENT REPORTING

The Group's operating activities are attributable to a single operating segment focusing on property development and property investment. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform with HKFRS 8, that are regularly reviewed by the chief operating decision maker ("CODM"). The CODM regularly reviews property portfolio by locations and considers them as one single operating segment since all properties, including those situated in Hong Kong and Mainland China, are held by the Group for earning rental income and development. No revenue analysis, operating results or other discrete financial information is available for the assessment of performance of the respective locations.

Revenue are net of sales related taxes and discounts allowed. All the revenue are generated in Mainland China.

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
		(restated)
Revenue from contracts with customers		
within the scope of HKFRS 15		
Sale of properties	4,965,668	1,659,457
Hotel revenue	18,474	6,440
Construction and design services income	38,111	13,694
Consultation service income	45,374	–
Project management services	14,353	–
	5,081,980	1,679,591
Revenue from other sources		
Gross rentals from investment properties	49,775	37,177
	5,131,755	1,716,768

4 OTHER INCOME/(LOSS)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000 (restated)
Net exchange loss	(1,747)	(12,398)
Interest income	8,530	3,889
Forfeited deposits from customers	4,284	7,510
Compensation to customers	(490)	(1,259)
Donation	(30)	(110)
Fair value changes on derivative financial instruments	8,936	(3,415)
Other management fee	3,738	768
Service fee income	–	4,969
Others	953	(1,343)
	<u>24,174</u>	<u>(1,389)</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000 (restated)
Interest on bank loans and other borrowings	791,430	513,376
Interest on bonds	59,184	69,521
Interest on loan from a related party	11,136	17,268
Interest on lease liabilities	524	466
Interest accrued on significant financing component of contract liabilities	<u>648,335</u>	<u>342,874</u>
	1,510,609	943,505
Less: Interest expense capitalised into inventories, construction in progress and investment properties*	<u>(1,472,889)</u>	<u>(933,113)</u>
	<u>37,720</u>	<u>10,392</u>

* The borrowing costs have been capitalised at a weighted average rate of 8.39% per annum (six months ended 30 June 2020 (restated): 10.43%)

(b) Other items

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
		(restated)
Amortisation		
– prepaid lease payments	7,250	7,250
– others	8,548	5,318
Depreciation charge		
– owned property, plant and equipment	12,464	8,379
– right-of-use assets	17,283	3,024
Rentals income from investment properties		
less direct outgoings of RMB4,278,000		
(six months ended 30 June 2020 (restated):		
RMB2,787,000)	(45,497)	(34,390)

6 INCOME TAX

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
		(restated)
Current tax		
PRC Corporate Income Tax (“PRC CIT”)	243,438	169,781
Net (reversal of) / provision for Land Appreciation Tax (“LAT”)	(138,630)	174,492
Deferred tax		
Origination and reversal of temporary differences	(110,054)	(74,274)
	(5,246)	269,999

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The provision for Hong Kong Profits Tax for the six months ended 30 June 2021 is calculated at 16.5% (six months ended 30 June 2020: 16.5%) of the estimated assessable profit for the period. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group has no assessable profit for both periods.

- (iii) The provision for PRC CIT is calculated based on the estimated taxable income at the rates applicable to subsidiaries of the Group in Mainland China. The income tax rates applicable are 25% (six months ended 30 June 2020: 25%).
- (iv) LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB625,917,000 (six months ended 30 June 2020 (restated): RMB159,239,000) and the weighted average number of ordinary shares in issue of 490,594,000 (six months ended 30 June 2020 (restated): 490,594,000).

The weighted average number of ordinary shares for the purpose of basic earnings per share has been determined based on the sum of average ordinary shares of the Company in issue for the six months ended 30 June 2021 of 490,594,000 (six months ended 30 June 2020: 490,594,000) ordinary shares.

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares in issue during both periods.

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade receivables, net of loss allowance (<i>note (a)</i>)		
– related parties	87,358	7,270
– third parties	43,748	27,635
	<u>131,106</u>	<u>34,905</u>
Other receivables (<i>note (b)</i>)	852,525	694,075
Amounts due from joint ventures	179,371	22,606
Amounts due from non-controlling interests (<i>note (c)</i>)	3,424,756	2,172,412
	<u>4,587,758</u>	<u>2,923,998</u>
Financial assets measured at amortised cost		
Prepaid VAT and surcharges	1,005,367	1,416,474
Deposits and prepayments (<i>note (d)</i>)	280,295	692,993
	<u>1,005,367</u>	<u>1,416,474</u>
	<u>5,873,420</u>	<u>5,033,465</u>

Notes:

- (a) As at 30 June 2021, trade receivables mainly represent rental and sales proceed receivables with ageing of within one year based on the invoice date.
- (b) Other receivables as at 30 June 2021 include an amount of RMB672,052,000 (31 December 2020: RMB410,415,000) representing advances from pre-sale of certain property projects in Changzhou, Xuzhou and Danyang deposited in certain institutions designated by Housing Security and Real Estate Administration under the local regulatory policy. The amount will be released in installments according to the progress of the construction of property development projects. Since certain institutions are ultimately held by the local government with good credibility, the Group considers that the credit risk is low.

Other receivables as at 30 June 2021 also include an amount of RMB31,850,000 (31 December 2020: RMB140,000,000) representing cooperation intention funds paid to the intended partners. Under terms of the contracts signed, the intention funds would be treated as security deposit. When the development site was confirmed, the intention funds would be paid as part of land cost. If the intended partners and the Group failed to obtain the land, the funds will be returned once the contract terminated. Most of the contracts last less than one year and the Group considers the credit risk is low.

- (c) Amounts due from non-controlling interests are unsecured, interest free and repayable on demand. As the amounts could be recovered by offsetting with the expected distributable profits to the respective non-controlling interests, management considered that the risk of default in repayment from these entities is remote.
- (d) Other deposits and prepayment mainly represent deposits and prepayment on land use rights, construction cost and deposits of water and electricity, gas and public maintenance funds paid on behalf of the customers.

9 RESTRICTED DEPOSITS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Pledged for mortgage arrangement of the property buyers (<i>note(a)</i>)	145,293	104,451
Pledged for construction of pre-sold properties (<i>note (b)</i>)	10,186	10,184
Others	5,406	4,582
	<u>160,885</u>	<u>119,217</u>

Notes:

- (a) In accordance with relevant contracts, certain property development companies of the Group are required to place in designated bank accounts certain cash deposits as collateral for mortgage loans advanced to property buyers. Such guarantee deposits will be released after the property ownership certificates of the relevant properties are passed to the banks.
- (b) In accordance with the relevant documents issued by the local state-owned land and resource bureau, certain property development companies of the Group are required to place at designated bank accounts the pre-sale proceeds of properties received as the guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fees of related property projects upon the approval of the local state-owned land and resource bureau. Such guarantee deposits will be released according to the completion stage of the related pre-sold properties.

10 BANK LOANS AND OTHER BORROWINGS

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Current		
Secured		
– Bank loans	822,166	539,660
– Other borrowings	3,182,671	2,715,862
	<u>4,004,837</u>	<u>3,255,522</u>
Non-current		
Secured		
– Bank loans	8,469,016	7,551,200
– Other borrowings	3,758,864	5,727,636
	<u>12,227,880</u>	<u>13,278,836</u>
	<u>16,232,717</u>	<u>16,534,358</u>

At 30 June 2021 and 31 December 2020, all non-current interest-bearing bank loans and other borrowings were as follows:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
After 1 year but within 2 years	4,770,253	7,816,136
After 2 years but within 5 years	<u>7,457,627</u>	<u>5,462,700</u>
	<u>12,227,880</u>	<u>13,278,836</u>

Bank loans and other borrowings are interest-bearing at a weighted average rate of 8.71% per annum (2020 (restated): 10.81% per annum).

All of the Group's facilities are subject to the fulfilment of covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2021, none of the covenants relating to drawn down facilities had been breached (31 December 2020: Nil).

The secured bank loans and other borrowings are secured over share of interest in certain subsidiaries of the Group and other assets as below:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Inventories	19,927,360	16,933,081
Investment properties	<u>784,869</u>	<u>719,341</u>
	<u>20,712,229</u>	<u>17,652,422</u>

As at 30 June 2021, the bank loans and other borrowings include amounts of RMB130,000,000 (31 December 2020: Nil) were secured by right to collect account receivables from a contractor designated by local government under an old city transformation project.

Certain bank loans and other borrowings are also guaranteed by related parties of the Group.

11 BONDS PAYABLE

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Current		
USD100 million private corporate bonds due November 2021 (<i>note (a)</i>)	638,098	629,237
HKD17.8 million private corporate bonds (<i>note (b)</i>)	–	14,933
USD44.2 million private corporate bonds (<i>note (c)</i>)	132,517	287,374
	<u>770,615</u>	<u>931,544</u>
Non-current		
RMB dim sum bond due January 2023 (<i>note (d)</i>)	459,828	459,828
	<u>1,230,443</u>	<u>1,391,372</u>

Notes:

- (a) The bond is secured over share of interest in certain subsidiaries of the Group.
- (b) On 12 July 2019, the Company issued 1.5-year private corporate bonds with principal amount of HKD17,800,000 issued at par. The bonds were fully settled in January 2021.
- (c) On 19 July 2019, the Company issued 2-year private bonds with principal amount of USD44,200,000 issued at par. Bonds with amount of USD20,000,000 were guaranteed by Mr. Lin Rongbin and Ms. Cheng Xuan. Part of the bonds with amount of USD23,700,000 were repaid in January 2021 and the remaining balance were fully repaid in July 2021.
- (d) On 15 January 2020, the Company issued a 3-year private bond with principal amount of RMB214,688,000. On 14 October 2020 and 8 December 2020, the Company issued additional bonds RMB153,040,000 and RMB92,100,000 respectively under the same program. The bond was guaranteed by related parties.

These bonds are interest-bearing at a weighted average rate of 5.04% per annum (31 December 2020: 9.79% per annum). As at 30 June 2021 and 31 December 2020, the Company had not breached any covenants of the bonds.

12 DUE TO FUZHOU SANSHENG

Due to Fuzhou Sansheng represents:

- (i) (a) amount of RMB758,928,000 (31 December 2020: RMB2,420,193,000) drawn by the Group from the revolving facilities of RMB4,500,000,000 granted by Fuzhou Sansheng Property Co., Ltd.* (福州三盛置業有限公司) (“Fuzhou Sansheng”) on 18 August 2017 and 28 September 2017 respectively. In 2019, the above facilities granted are renewed and extended for two more years from the original maturity dates of 18 August 2020 and 28 September 2020 respectively. The amounts from the revolving facilities are unsecured, interest-bearing at 7.00% per annum and repayable by August and September 2022 respectively in accordance with the renewal facilities agreement.
- (b) during the six months ended 30 June 2021, amount of RMB900,000,000 was settled by capital injection in a project company as non-controlling interests. To set up the project company with Fuzhou Sansheng and the arrangement of capital contribution had been approved in the extraordinary general meeting of the Company held on 15 November 2017.
- (ii) an amount of RMB650,000,000 (31 December 2020: RMB650,000,000) due to Fuzhou Sansheng which is non-interest bearing and included in current liabilities of the Group. Fujian Minqiao Real Estate Development Co., Ltd.* (福建閩僑房地產開發有限公司) (“Fujian Minqiao”) and Yangzhou Sansheng Real Estate Development Co., Ltd.* (揚州三盛房地產開發有限公司) (“Yangzhou Sansheng”), the companies merged to the Group as a result of the reorganisation as set out in note 1(b), had provided guarantees for bank loan facilities obtained by Mr. Lin Rongbin and Fuzhou Sansheng by pledging their properties and entire equity interests of Fujian Minqiao before the reorganisation and the facilities will be expired on 31 October 2021. In return, the proceeds drawn from these facilities were used in financing the projects developed by Fujian Minqiao and Yangzhou Sansheng before the reorganisation. To rationalise the above arrangement, Mr. Lin and Fuzhou Sansheng entered into an agreement with the Group that from the date of completion of the acquisition to 31 October 2021, Fuzhou Sansheng agreed to provide an interest free facility of RMB650,000,000 to the Group up to 31 October 2021 and the Group agreed to continue the securities provided for the abovementioned facilities until their expiry. The above arrangement has been approved in the extraordinary general meeting of the Company held on 19 October 2020.

* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*

13 TRADE AND OTHER PAYABLES

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade creditors and accrued charges <i>(note (a))</i>	2,209,390	1,959,522
Amounts due to related parties <i>(note (b))</i>	191,338	140,522
Amounts due to non-controlling interests <i>(note (c))</i>	1,076,202	1,633,782
Contributions from employees <i>(note (d))</i>	93,881	85,885
Consideration payables for acquisition of subsidiaries	27,000	75,654
Other payables <i>(note (e))</i>	361,677	329,236
Interest payable	84,367	82,981
Dividends payable <i>(note (f))</i>	98,119	–
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	4,141,974	4,307,582
Derivative financial liability	9,381	18,317
Value added tax and surcharges payables	2,031,656	2,165,448
Deposits received <i>(note (g))</i>	272,705	633,638
Receipts in advance	8,452	8,990
	<hr/>	<hr/>
	6,464,168	7,133,975
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) As at 30 June 2021, all trade creditors are with ageing of within 1 year based on the invoice date.
- (b) These related parties are private companies owned by Mr. Lin Rongbin. The amounts are interest-free, unsecured and repayable on demand.
- (c) The amount represents advance from non-controlling interests of certain subsidiaries for the respective property development projects. The amount is interest-free and repayable on demand.
- (d) The amount represents contributions from employees and accrued benefits in certain subsidiaries of the Group.
- (e) Other payables mainly represent sales commission payables and salaries and bonus payables.
- (f) The dividends payable was fully paid in July 2021 (note 14).
- (g) Deposits received include an amount of RMB55,166,000 (31 December 2020: RMB260,000,000) representing cooperation intention deposits received from the intended. Under terms of the contracts signed, the intention funds would be treated as security deposit and paid as part of land cost or returned to the intended partners within one year.

Deposits also include an amount of RMB184,800,000 (2020: RMB330,000,000) representing retention deposits and bidding deposits received from constructors.

14 DIVIDENDS

Dividends payable to equity shareholders attributable to the previous year, approved during the interim period:

	Six months ended 30 June	
	2021	2020
		(restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the interim period, of RMB0.20 per share (six months ended 30 June 2020: Nil)	98,119	–

No interim dividend was declared for the six months ended 30 June 2021 and 2020.

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Contracted sales

As of 30 June 2021, the contracted but unrecognised sales of the Group amounted to approximately RMB31,161.9 million and the estimated contracted gross floor area (“GFA”) of the Group was approximately 2,436,015 square meters (“sq.m.”), which arise from the contracted sales of the projects below, forming a solid basis for the Group’s future growth in recognised revenue.

Details of contracted sales as at 30 June 2021

		Total contracted sales (RMB'000)	Estimated contracted GFA (sq.m.)
1.	Pingtian Fujian/Sansheng International Coast (Phase 1)	2,913,793	264,863
2.	Xiaoshan Hangzhou Zhejiang/Ruyue Meijing	2,871,450	89,497
3.	Changle Fuzhou Fujian/Puyue Mansion (Phase 1)	2,214,983	109,018
4.	Tongshan Xuzhou Jiangsu/ Sansheng • Midtown	1,876,421	127,031
5.	Haimen Jiangsu/Sansheng Puyue Mansion	1,849,000	151,191
6.	Jimo Qingdao Shandong/ Sansheng International Coast	1,729,406	142,691
7.	Taicang Jiangsu/Hujing Tianzhu	1,415,210	83,014
8.	Xiuyu Putian Fujian/Datang Shijia	1,334,936	169,806
9.	Changle Fuzhou Fujian/Puyue Mansion (Phase 2)	1,233,712	99,758
10.	Zhifu Yantai Shandong/ Sansheng • Ruyue Mansion	1,136,300	83,364
11.	Wujin Changzhou Jiangsu/Ruyue Chunqiu	1,131,151	58,612
12.	Wujin Changzhou Jiangsu/ Sansheng • Xinzhu Mansion	1,038,645	88,176
13.	Xiapu Ningde Fujian/ Puyue Mountains And Rivers	1,019,690	137,816
14.	Mawei Fuzhou Fujian/The Puyue Bay City	904,570	92,188

Location/Project	Total contracted sales (RMB'000)	Estimated contracted GFA (sq.m.)
15. Mawei Fuzhou Fujian/Future City	867,931	86,210
16. Wenling Taizhou Zhejiang/ Sansheng Puyue Mansion	733,497	40,066
17. Rudong Nantong Jiangsu/ Sansheng • Puyue Guandi	696,711	52,703
18. Xishan Wuxi Jiangsu/ Sansheng • Galaxy City	687,006	71,578
19. Yuecheng Shaoxing Zhejiang/Ruyue Garden	659,750	31,789
20. Rui'an Wenzhou Zhejiang/Mingyuexuan	604,450	25,224
21. Changle Fuzhou Fujian/Puyue Longmen	460,927	26,335
22. Chenghai Shantou Guangdong/Puyue Mansion	457,843	41,465
23. Chengxiang Putian Fujian/Puyue Fenghua	405,626	27,472
24. Hanjiang Putian Fujian/Sansheng Puyuegongguan	325,384	39,971
25. Licheng Quanzhou Fujian/Sansheng Puyueli	301,037	27,113
26. Rui'an Wenzhou Zhejiang/Ruyue Xiangrui	280,810	10,737
27. Zhangqiu Jinan Shandong/The Puyue Bay	273,079	36,719
28. Longhai Zhangzhou Fujian/ Sansheng • Puyue Sea	265,613	20,757
29. Zhangpu Zhangzhou Fujian/Sansheng Puyue Mansion	248,231	38,464
30. Danyang Jiangsu/Puyue Guandi	224,944	18,174
31. Weihai Shandong/Sansheng Dishang Puyue Mansion	197,547	15,784
32. Shijiazhuang Hebei/Sansheng • Puyue Changan	190,952	19,282
33. Minhou Fuzhou Fujian/The Puyue Bay	175,190	20,607
34. Hantai Hanzhong Shaanxi/Sansheng Tianyue	132,030	22,333
35. Cangshan Fuzhou Fujian/Binjiang International	74,757	3,200
36. Rudong Nantong Jiangsu/Puyue Mansion	56,270	28,026
37. Longhai Zhangzhou Fujian/International Coast	53,420	5,223
38. Longquanyi Chengdu Sichuan/Sansheng Metropolis	46,301	20,324
39. Fengrun Tangshan Hebei/Sansheng • Puyue Fenghua	43,870	5,486
40. Changle Fuzhou Fujian/Sansheng Puyue Binjiang	26,615	3,696
41. Xiapu Ningde Fujian/Binjiang International	2,876	252
Total	31,161,934	2,436,015

Revenue

The Group's revenue mainly derived from sales of properties, with a small proportion from investment properties rental income, consultation services, construction and design services, hotel revenue and project management services. Total revenue of the Group for the six months ended 30 June 2021 amounted to approximately RMB5,131.8 million (for the six months ended 30 June 2020 (restated): approximately RMB1,716.8 million).

The following table sets forth certain details of the revenue:

	Six months ended 30 June			
	2021		2020	
	<i>RMB'000</i>	%	<i>RMB'000</i> (restated)	%
Revenue from sales of properties	4,965,668	96.8%	1,659,457	96.7%
Investment properties rental income	49,775	1.0%	37,177	2.1%
Revenue from consultation service	45,374	0.9%	–	–
Revenue from construction and design services	38,111	0.7%	13,694	0.8%
Hotel revenue	18,474	0.4%	6,440	0.4%
Revenue from project management services	14,353	0.2%	–	–
Total	<u>5,131,755</u>	<u>100.0%</u>	<u>1,716,768</u>	<u>100.0%</u>

The revenue from sales of properties recorded approximately RMB4,965.7 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): approximately RMB1,659.5 million), and was mainly contributed by the delivered properties located in Fuzhou, Nantong and Qingdao. Significant increase in revenue from sales of properties was mainly due to more properties delivered in the first half of the year, when compared to the first half of 2020.

The Group's investment properties rental income recorded approximately RMB49.8 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): approximately RMB37.2 million), and was mainly derived from commercial investment properties in Yangzhou, Fuzhou, Harbin, Qingdao and Chengdu. The increase was mainly due to more rental income being received in the first half of 2021 after the COVID-19 Pandemic being controlled.

The revenue from consultation service recorded approximately RMB45.4 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil). The increase was mainly due to the provision of such service was only commenced in 2021.

The revenue from construction and design services recorded approximately total of RMB38.1 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): RMB13.7 million). The increase was mainly due to more construction and design services provided in the first half of the year, when compared to the first half of 2020.

The hotel revenue recorded approximately RMB18.5 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): RMB6.4 million). Such increase was mainly due to the increase in occupancy rate in the first half of 2021 after the COVID-19 pandemic being controlled.

The revenue from project management services recorded approximately RMB14.3 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil). The increase was mainly due to the provision of such service was only commenced in 2021.

Cost of sales

Cost of sales of the Group consisted of the cost directly related to the development of the properties. It mainly comprised cost of land use rights, acquisition premium, construction costs, decoration costs and the capitalised interest expenses. For the six months ended 30 June 2021, cost of sales amounted to approximately RMB4,025.5 million (for the six months ended 30 June 2020 (restated): approximately RMB1,026.5 million). Such increase was mainly due to substantial increase in the number of properties delivered in the first half of the year, when compared to the first half of 2020.

Gross profit and gross profit margin

The gross profit of the Group amounted to approximately RMB1,106.3 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): approximately RMB690.3 million). The increase in gross profit was mainly due to the increase in properties delivered in the first half of the year, when compared to the first half of 2020. The gross profit margin amounted to 21.6% for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): approximately 40.2%) and such decrease was primarily due to the gross profit margin of the properties delivered was comparatively low in the first half of the year, when compared to the first half of 2020.

Net valuation gain/(loss) on investment properties

For the six months ended 30 June 2021, the Group recorded unrealized net fair value gain on investment properties in Fuzhou, Yangzhou, Qingdao, Harbin, Yantai and Chengdu of approximately RMB5.5 million (for the six months ended 30 June 2020 (restated): net valuation loss on investment properties of approximately RMB41.1 million).

Other income/(loss)

Other income/(loss) of the Group mainly comprised fair value changes on derivative financial instruments, interest income, forfeited deposits from customers and other management fee. The change from restated other loss of approximately RMB1.4 million for the six months ended 30 June 2020 to other income of approximately RMB24.2 million for the six months ended 30 June 2021 was mainly due to the decrease in net exchange loss and the increase in fair value changes on derivative financial instruments. Such decrease in net exchange loss recorded in the first half of 2021 was mainly arising from its bonds and loan which are denominated in US dollars, and the RMB against USD has continually appreciated when compared to the corresponding period in 2020.

Selling and marketing expenses

Selling and marketing expenses of the Group mainly comprised of staff costs, agency fees and advertising and marketing costs. For the six months ended 30 June 2021, selling and marketing expenses amounted to approximately RMB208.1 million (for the six months ended 30 June 2020 (restated): approximately RMB113.2 million). The increase in selling and marketing expenses was mainly due to the substantial increase in the number of properties pre-sold in the first half of the year, when compared to the first half of 2020.

Administrative expenses

Administrative expenses of the Group mainly comprised of staff costs, tax and other levies and office supplies. For the six months ended 30 June 2021, administrative expenses amounted to approximately RMB253.3 million (for the six months ended 30 June 2020 (restated): approximately RMB117.8 million). The increase in administrative expenses was mainly due to the increase in the number of project companies in the first half of the year, when compared to the first half of 2020.

Income tax

Income tax of the Group mainly comprised PRC Corporate Income Tax (“PRC CIT”), Land Appreciation Tax (“LAT”) and deferred tax. For the six months ended 30 June 2021, income tax credit was approximately RMB5.2 million (for the six months ended 30 June 2020 (restated): income tax was approximately RMB270.0 million), and the change from restated income tax to income tax credit was mainly due to the decrease in LAT. The LAT decreased by approximately RMB313.1 million, which was mainly due to decrease in land value appreciation amount and the over provision of prior years being reversed in the first half of the year, when compared to the first half of 2020.

Profit for the period

As a result of the above mentioned factors, the Group’s profit for the period increased to approximately RMB651.8 million for the six months ended 30 June 2021 from restated profit of approximately RMB131.7 million for the corresponding period last year.

For the six months ended 30 June 2021, the Group recorded profit attributable to equity shareholders of the Company of approximately RMB625.9 million (for the six months ended 30 June 2020 (restated): approximately RMB159.2 million).

Liquidity and Financial Resources

Cash position

As at 30 June 2021, the Group’s cash and cash equivalents amounted to approximately RMB8,095.3 million (31 December 2020: approximately RMB7,385.9 million). The Group has unutilized credit facilities amounted to approximately RMB6,333.9 million as at 30 June 2021 (31 December 2020: approximately RMB4,338.2 million), in which the unutilized credit facilities from banks and financial institutions of the Group was approximated to RMB2,592.8 million (31 December 2020: approximately RMB2,258.4 million), and the undrawn revolving facilities granted by Fuzhou Sansheng was RMB3,741.1 million (31 December 2020: approximately RMB2,079.8 million).

Borrowings

As at 30 June 2021, the Group's bank loans and other borrowings were approximately RMB16,232.7 million (31 December 2020: approximately RMB16,534.4 million) and bonds payable were approximately RMB1,230.4 million (31 December 2020: approximately RMB1,391.4 million) for the Group's development purpose and as general working capital.

Out of the total Group's bank loans and other borrowings, and bonds payable, RMB4,775.4 million was repayable within one year (31 December 2020: approximately RMB4,187.1 million), while approximately RMB12,687.7 million was repayable after one year (31 December 2020: approximately RMB13,738.7 million).

Finance cost

The Group's finance costs mainly comprised interest arising from bank loans and other borrowings, significant financing component of contract liabilities, private corporate bonds and amounts due to Fuzhou Sansheng. Certain finance costs were being capitalised as part of the cost qualifying assets.

The Group's weighted average interest rate was 8.4% for the six months ended 30 June 2021 (for the six months ended 30 June 2020 (restated): 10.4%).

Gearing ratio

The Group's gearing ratio (total indebtedness divided by total assets) was approximately 86.8% (31 December 2020: approximately 89.1%). The Group's current ratio (current assets divided by current liabilities) was approximately 1.4 times as at 30 June 2021 (31 December 2020: approximately 1.5 times).

Pledge of assets

As at 30 June 2021, the Group's inventories with a carrying amount of approximately RMB19,927.4 million (31 December 2020: approximately RMB16,933.1 million), investment properties with a carrying amount of approximately RMB784.9 million (31 December 2020: approximately RMB719.3 million) and the right to collect account receivables with a carrying amount of approximately RMB159.7 million (31 December 2020: Nil) were pledged to secure the bank loans and other borrowings of the Group.

As at 30 June 2021, the Group's investment properties with a carrying amount of approximately RMB211.1 million (31 December 2020: approximately RMB702.1 million) and the properties and respective interests in leasehold land for own use with a carrying amount of approximately RMB277.2 million (31 December 2020: approximately RMB274.8 million) were pledged for bank loans and other borrowings borrowed by related parties.

Material acquisition and disposal of subsidiaries, associates and joint ventures

During the six months ended 30 June 2021, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

Future plans for material investments or capital assets

Save for the events as disclosed in the section headed "Events after the Reporting Period" and business plans as disclosed in the section headed "Outlook and Plans" in this interim results announcement, there were no other future plans for material investments or acquisition of capital assets as at 30 June 2021.

Contingent liabilities

As at 30 June 2021, the Group has issued guarantees to banks to secure the mortgage arrangement of property buyers. The outstanding guarantees to the banks amounted to approximately RMB9,127.3 million (31 December 2020: approximately RMB6,582.9 million), which will be terminated upon the completion of the transfer procedures with the buyers in respect of the legal title of the properties.

The Directors do not consider it probable that the Group will sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if any of the property buyers default payment. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors.

As at 30 June 2021, certain properties of the Group are pledged as security for related parties to obtain loan facilities from banks and financial institutions.

Foreign exchange risk

The functional currency of the Company and its major subsidiaries is RMB, in which most of their transactions and assets are denominated. The Group has an exposure to foreign exchange risk arising from its bonds, loans and cash at bank which are denominated in US dollars or Hong Kong dollars. The Group has not taken any measures to hedge the existing foreign currency exposure but will monitor closely the situation and review such a need from time to time.

REVIEW OF OPERATIONS

The Group is principally engaged in property development and sales, property investment, hotel operation, construction and design services, consultation service and project management services.

The Board is of the view that the overall operation of the Group was satisfactory and its financial position remained stable and healthy in the current period, while substantial contracted but unrecognised sales of approximately RMB31,161.9 million were achieved as of 30 June 2021, forming a solid basis for the Group's future growth in recognised revenue.

The Group has smoothly implemented its strategic plan during the period under review, it has proactively selected property development projects from those cities with a robust economy and avoided the projects from areas where stringent real estate policies such as restrictions on purchases and prices were in effect. The Group has actively participated in various land bids, which have contributed to its land bank and has laid a cornerstone for its property development business in the future.

PROPERTY INVESTMENT

The Group's portfolio of investment properties comprises 9 investment properties in Hong Kong and Mainland China. The Group will from time to time review its property portfolio and make every endeavour to increase its rental income.

Property development and land bank

As at 30 June 2021, the Group has a total of 56 property projects that are held for sale, under development or held or secured for future development. Total site area of its land bank was approximately 3,602,663 sq.m. and the planned total GFA was approximately 10,626,522 sq.m., of which 7,408,536 sq.m. were attributable to the Group based on its equity interests. The table below sets forth the breakdown of property development projects:

Location/Project	Primary intended use of the project	Attributable interest	Total site area (sq.m.)	Planned total GFA (sq.m.)	Attributable	
		held by the Group (%)			planned GFA (sq.m.)	
1	Zhangqiu Jinan Shandong/The Puyue Bay	Residential	80.00	60,032	201,054	160,843
2	Pingtian Fujian/Sansheng International Coast (Phase 1)	Residential/Commercial	90.00	122,122	443,498	399,148
3	Pingtian Fujian/Sansheng International Coast (Phase 2)	Residential/Commercial	90.00	75,500	193,616	174,254
4	Xiapu Ningde Fujian/Binjiang International	Residential/Commercial	55.00	23,861	66,046	36,325
5	Mawei Fuzhou Fujian/Future City	Residential/Commercial	100.00	75,805	173,077	173,077
6	Mawei Fuzhou Fujian/The Puyue Bay City	Residential/Commercial	28.05	70,618	258,757	72,581
7	Rudong Nantong Jiangsu/Puyue Mansion	Residential/Commercial	92.00	77,481	187,980	172,942
8	Longhai Zhangzhou Fujian/Sansheng • Puyue Sea	Residential/Commercial	95.00	23,457	49,046	46,594
9	Changle Fuzhou Fujian/Puyue Mansion (Phase 1)	Residential/Commercial	30.00	45,476	136,783	41,035
10	Changle Fuzhou Fujian/Puyue Mansion (Phase 2)	Residential/Commercial	30.00	44,462	136,841	41,052
11	Pingyang Wenzhou Zhejiang/Yuefu Garden	Residential	8.25	52,181	156,359	12,900
12	Pingyang Wenzhou Zhejiang/Jiangcheng Town	Residential	8.25	50,746	151,955	12,536
13	Gulou Fuzhou Fujian/Sheng Mansion	Residential	10.50	13,882	43,502	4,568
14	Shenhe Shenyang Liaoning/Yifu Project	Residential/Commercial	100.00	31,376	186,065	186,065
15	Xishan Wuxi Jiangsu/Sansheng • Galaxy City	Commercial/Office	100.00	33,191	127,698	127,698
16	Xiapu Ningde Fujian/Puyue Mountains And Rivers	Residential/Commercial	85.50	65,358	219,947	188,055
17	Longhai Zhangzhou Fujian/International Coast	Residential/Commercial	95.00	237,697	409,863	389,370
18	Minhou Fuzhou Fujian/The Puyue Bay	Residential/Commercial	95.00	77,983	257,292	244,427
19	Cangshan Fuzhou Fujian/Binjiang International	Residential/Commercial/Office	95.00	56,988	320,777	304,738
20	Xiuyu Putian Fujian/Datang Shijia	Residential/Commercial	35.00	83,198	254,507	89,077
21	Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion	Residential/Commercial	95.92	39,787	104,098	99,851
22	Zhangpu Zhangzhou Fujian/Sansheng Puyue Mansion	Residential/Commercial	71.25	60,694	226,570	161,431
23	Haimen Jiangsu/Sansheng Puyue Mansion	Residential	80.00	84,802	202,123	161,698
24	Zhifu Yantai Shandong/Sansheng•Ruyue Mansion	Residential	100.00	82,340	303,000	303,000
25	Wujin Changzhou Jiangsu/Ruyue Chunqiu	Residential/Commercial	51.00	38,307	91,263	46,544
26	Chengxiang Putian Fujian/Puyue Fenghua	Residential/Commercial	51.00	46,207	118,474	60,422
27	Taicang Jiangsu/Hujing Tianzhu	Residential	34.00	69,993	197,163	67,035
28	Changle Fuzhou Fujian/Puyue Longmen	Residential	20.40	22,549	67,407	13,751
29	Danyang Jiangsu/Puyue Guandi	Residential/Commercial	51.00	78,820	207,756	105,956
30	Rui'an Wenzhou Zhejiang/Ruyue Xiangrui	Residential	95.00	18,383	70,726	67,190
31	Xiaoshan Hangzhou Zhejiang/Ruyue Meijing	Residential/Commercial	28.05	39,489	143,293	40,194
32	Yuecheng Shaoxing Zhejiang/Ruyue Garden	Residential	75.86	21,240	95,549	72,483
33	Chenghai Shantou Guangdong/Puyue Mansion	Residential/Commercial	95.00	27,722	128,815	122,374
34	Chengdu Sichuan/Sansheng•Luhu Zuoan	Residential/Commercial	100.00	26,163	78,558	78,558
35	Rui'an Wenzhou Zhejiang/Mingyuexuan	Residential/Commercial	23.75	32,856	88,685	21,063
36	Binhu Wuxi Jiangsu/Sansheng•Dufu Tiancheng	Residential/Commercial	60.00	52,638	138,364	83,018
37	Rudong Nantong Jiangsu/Sansheng•Puyue Guandi	Residential/Commercial	50.00	59,621	169,659	84,830
38	Zhangjiagang Suzhou Jiangsu/Sansheng•Puyue Xindi	Residential	49.00	41,533	126,983	62,222
39	Xuzhou Jiangsu/Sansheng•Ruyue Weiyang	Residential	48.45	47,129	100,231	48,562
40	Shijiazhuang Hebei/Sansheng•Puyue Changan	Residential	76.00	31,976	129,197	98,190

Location/Project	Primary intended use of the project	Attributable interest	Total site area (sq.m.)	Planned total GFA (sq.m.)	Attributable	
		held by the Group (%)			planned GFA (sq.m.)	
41	Fengrun Tangshan Hebei/Sansheng•Puyue Fenghua	Residential	63.65	64,208	227,713	144,939
42	Hantai Hanzhong Shaanxi/Sansheng Tianyue	Residential/Commercial	95.00	44,031	160,698	152,663
43	Nanchong Sichuan/Yuejiang Mansion	Residential	38.00	25,093	85,849	32,623
44	Nanchong Sichuan/Qishan House	Residential	38.00	37,099	89,436	33,986
45	Changle Fuzhou Fujian/Sansheng Puyue Binjiang	Residential/Commercial	95.00	51,955	164,908	156,663
46	Licheng Quanzhou Fujian/Sansheng Puyue	Residential/Commercial	95.00	16,960	40,716	38,680
47	Longquanyi Chengdu Sichuan/Sansheng Metropolis	Residential/Commercial	95.00	133,333	588,174	558,765
48	Tongshan Xuzhou Jiangsu/Sansheng•Midtown	Residential/Commercial	48.45	129,536	529,916	256,744
49	Wenling Taizhou Zhejiang/Sansheng Puyue Mansion	Residential/Commercial	76.00	35,631	117,361	89,194
50	Jimo Qingdao Shandong/Sansheng International Coast	Residential/Commercial	70.30	532,518	879,620	618,373
51	Hanjiang Putian Fujian/Sansheng Puyuegongguan	Residential	70.30	20,897	69,011	48,515
52	Jiaozuo Henan/Jiaozuo Tianyue Mansion	Residential	95.00	22,117	59,588	56,609
53	Weihai Shandong/Sansheng Dishang Puyue Mansion	Residential/Commercial	54.25	52,278	122,575	66,497
54	Chenghai Shantou Guangdong/Shantou Xinhui Project	Residential/Commercial	95.00	20,075	99,547	94,570
55	Huizhou Guangdong/Huizhou Changfeng Project	Residential/Commercial	52.25	113,769	481,833	251,758
56	Zhifu Yantai Shandong/Yantai Dongnanshao Project	Residential/Commercial	90.00	59,500	147,000	132,300
Total				<u>3,602,663</u>	<u>10,626,522</u>	<u>7,408,536</u>

Land acquisition from January to June 2021

In the first half of 2021, the Group acquired or secured to acquire interests in a total of 4 new land parcels. The total planned GFA of the new land acquisitions amounted to approximately 850,955 sq.m., of which 545,125 sq.m. were attributable to the Group based on its equity interests. Total contract consideration for its land acquisition amounted to approximately RMB2,952.3 million, of which RMB1,826.8 million was payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable planned GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in the first half of 2021 was approximately RMB3,351.2 per sq.m..

Location/Project	Primary intended use of the project	Attributable interest held by the Group (%)	Total land price (RMB'000)	Attributable land price (RMB'000)	Planned total site area (sq.m.)	Attributable		
						Total GFA (sq.m.)	planned GFA (sq.m.)	
1	Weihai Shandong/ Sansheng Dishang Puyue Mansion	Residential/Commercial	54.25	394,920	214,244	52,278	122,575	66,497
2	Chenghai Shantou Guangdong/ Shantou Xinhui Project	Residential/Commercial	95.00	336,407	319,587	20,075	99,547	94,570
3	Huizhou Guangdong/ Huizhou Changfeng Project	Residential/Commercial	52.25	1,870,000	977,075	113,769	481,833	251,758
4	Zhifu Yantai Shandong/ Yantai Dongnanshao Project	Residential/Commercial	90.00	351,000	315,900	59,500	147,000	132,300
Total				<u>2,952,327</u>	<u>1,826,806</u>	<u>245,622</u>	<u>850,955</u>	<u>545,125</u>

Major Project profiles

Zhangqiu Jinan Shandong/The Puyue Bay

Zhangqiu Jinan Shandong/The Puyue Bay (山東濟南章丘/璞悅灣) is located at Mingshui subdistrict, Zhangqiu district, Jinan City, bordering Shiji East Road to the east, floodway to the west and reach to Tiedao North Road to the south and Shanquan East Road to the north. The total site area is approximately 60,032 sq.m. and the total GFA is approximately 201,054 sq.m.. The land use of the project is for residential use. After the master layout plan for the project has been approved in March 2018, the initial pre-sale started in December 2018. The project is under development and expected to be completed in 2022.

Pingtang Fujian/Sansheng International Coast (Phase 1)

Pingtang Fujian/Sansheng International Coast (福建平潭/三盛國際海岸) (Phase 1) is located at Jinjing Wan Area, Pingtan Comprehensive Pilot Zone, situated at the north of the junction of Tianda North Road and Ruyi Road. The total site area is approximately 122,122 sq.m. and the total GFA is approximately 443,498 sq.m.. The land use of the project is mainly for residential and commercial uses. The master layout plan for the project was approved in July 2018 and the first batch of pre-sale commenced in October 2018. The project is under development and expected to be completed in 2022.

Pingtang Fujian/Sansheng International Coast (Phase 2)

Pingtang Fujian/Sansheng International Coast (福建平潭/三盛國際海岸) (Phase 2) is located at Jinjing Wan Area, Pingtang Comprehensive Pilot Zone, situated at the east of Ruyi Lake and west of the Huanhu Road. The total site area is approximately 75,500 sq.m. and the total GFA is approximately 193,616 sq.m.. The land use of the project is mainly for residential and commercial uses. The master layout plan for the project was approved in August 2019. The project is under development and expected to have the first batch of pre-sale in November 2021 and expected to be completed in 2023.

Mawei Fuzhou Fujian/Future City

Mawei Fuzhou Fujian/Future City (福建福州馬尾/未來城) is located at the western part of Langqi Island, Mawei District, south of the island-entering section of Langqi Minjiang River Bridge, west of the Duting River, north of the planned green space, west of the Area A of Xianghai Xincheng (香海新城), and the northern side of the Yanhang River. The total site area is approximately 75,805 sq.m. and the total GFA is approximately 173,077 sq.m.. The land use of the project is mainly for residential and commercial uses. The relevant master layout plan for the project was approved in September 2018 and the first batch of pre-sale launched in January 2019. The project is under development and expected to be completed in the second half of 2021.

Rudong Nantong Jiangsu/Puyue Mansion

Rudong Nantong Jiangsu/Puyue Mansion (江蘇南通如東/璞悅府) is located at the core area of Rudong Xincheng (如東新城), bordering Jiefang Road Primary School (解放路小學) to the east, Yangzhou River Banks Scenic Area (三河六岸風景區) to the west and reach to Longteng Road (Wenti Zhongxin North Side Road文體中心北側路) to the south and north to Hengshiqi Road (south side of the Commercial Zone of Ruyi Bay (如意灣商貿區)). The total site area is approximately 77,481 sq.m. and the total GFA is approximately 187,980 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in August 2018, the initial pre-sale launched in December 2018. The project was completed in the first half of 2021.

Longhai Zhangzhou Fujian/Sansheng • Puyue Sea

Longhai Zhangzhou Fujian/Sansheng • Puyue Sea (福建漳州龍海/三盛•璞悅海) is located at Binhai New Town Area, Gangwei Town, Longhai City, northwest to the intersection of Yingbin Avenue and Binhuwei 6th Road and to the west of Sansheng International Coast. The total site area is approximately 23,457 sq.m. and the total GFA is approximately 49,046 sq.m.. The land use of the project is mainly for residential and commercial uses. The initial pre-sale of the project launched in September 2019. The project is under development and expected to be completed in the second half of 2021.

Xishan Wuxi Jiangsu/Sansheng • Galaxy City

Xishan Wuxi Jiangsu/Sansheng • Galaxy City (江蘇無錫錫山/三盛•星悦城) is located at Xishan District, Wuxi City, situated in the junction of Taihu Avenue and Huaxia South Road. The total site area is approximately 33,191 sq.m. and the total GFA is approximately 127,698 sq.m.. The land use of the project is mainly for commercial and office uses. After the master layout plan for the project has been approved in February 2019, the initial pre-sale launched in September 2019. The project is under development and expected to be completed in 2022.

Xiapu Ningde Fujian/Puyue Mountains And Rivers

Xiapu Ningde Fujian/Puyue Mountains And Rivers (福建寧德霞浦/璞悦山河) is located at Yemao Ridge, Wanxian Village, Songcheng Road, Xiapu County, Ningde City, Fujian Province. The total site area is approximately 65,358 sq.m. and the total GFA is approximately 219,947 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in December 2018, the first batch of pre-sale launched in June 2019. The project is under development and expected to be completed in 2022.

Longhai Zhangzhou Fujian/International Coast

Longhai Zhangzhou Fujian/International Coast (福建漳州龍海/國際海岸) is located at Binhai New Town Area, Gangwei Town, Longhai City, northwest to the intersection of Yingbin Avenue and Binhuwei 6th Road. The total site area is approximately 237,697 sq.m. and the total GFA is approximately 409,863 sq.m.. The land use of the project is mainly for residential and commercial uses. The project launched its initial pre-sale in April 2016, and was completed in April 2020.

Minhou Fuzhou Fujian/The Puyue Bay

Minhou Fuzhou Fujian/The Puyue Bay (福建福州閩侯/璞悦灣) is located at the southeast intersection of Nantong Avenue and Beihuan Road, Minhou County. The total site area is approximately 77,983 sq.m. and the total GFA is approximately 257,292 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in June 2017, the first batch of pre-sale launched in May 2018. The project was completed in the first half of 2021.

Cangshan Fuzhou Fujian/Binjiang International

Cangshan Fuzhou Fujian/Binjiang International (福建福州倉山/濱江國際) is located at Cangshan District, with South Binjiang Avenue on the south, South Binjiang Avenue on the north, Gangtouwai Road on the southwest and Aofeng Bridge on the east. The total site area is approximately 56,988 sq.m. and the total GFA is approximately 320,777 sq.m.. The land use of the project is mainly for residential, commercial and office uses. After the master layout plan for the project has been approved in February 2014, the first batch of pre-sale launched in October 2014. The project was completed in the first half of 2021.

Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion

Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion (江蘇常州武進/三盛•心築雅園) is located at the area of South Xiashu Town, Wujin District, Changzhou, bordering Guihua Road to the east, Xinzhi Road to the west, Nanwan River to the south and Longfan Road to the north. The total site area is approximately 39,787 sq.m. and the total GFA is approximately 104,098 sq.m.. The land use of the project is mainly for residential and commercial uses. The master layout plan for the project has been approved in October 2019. The project is under development and expected to be completed in the second half of 2021.

Haimen Jiangsu/Sansheng Puyue Mansion

Haimen Jiangsu/Sansheng Puyue Mansion (江蘇海門/三盛璞悅府) is located at Sanchang Town, Haimen City. The total site area of the project is approximately 84,802 sq.m. and the total GFA is approximately 202,123 sq.m.. The land use of the project is for residential use. After the master layout plan for the project has been approved in April 2020, the project launched its initial pre-sale in July 2020. The project is under development and expected to be completed in 2022.

Zhifu Yantai Shandong/Sansheng • Ruyue Mansion

Zhifu Yantai Shandong/Sansheng • Ruyue Mansion (山東煙台芝罘/三盛•汝悅銘著) is located at No. 188, Xingfu Middle Road, Zhifu District, Yantai City, Shandong Province. The total site area of the project is approximately 82,340 sq.m. and the total GFA is approximately 303,000 sq.m.. The land use of the project is mainly for residential use. After the master layout plan for the project has been approved in May 2020, the project launched its initial pre-sale in August 2020. The project is under development and expected to be completed in 2023.

Rui'an Wenzhou Zhejiang/Ruyue Xiangrui

Rui'an Wenzhou Zhejiang/Ruyue Xiangrui (浙江温州瑞安/汝悦祥瑞) is located at Anyang Street, Ruixiang New District, Rui'an City. The total site area of the project is approximately 18,383 sq.m. and the total GFA is approximately 70,726 sq.m.. The land use of the project is for residential use. The project launched its initial pre-sale in May 2021. The project is under development and expected to be completed in 2022.

Chenghai Shantou Guangdong/Puyue Mansion

Chenghai Shantou Guangdong/Puyue Mansion (廣東汕頭澄海/璞悅府) is located at the south side of Yuting Road, Chenghai District, Shantou City. The total site area of the project is approximately 27,722 sq.m. and the total GFA is approximately 128,815 sq.m.. The land use of the project is for residential and commercial uses. The project launched its initial pre-sale in April 2021. The project is under development and expected to be completed in 2022.

Chengdu Sichuan/Sansheng • Luhū Zuoan

Chengdu Sichuan/Sansheng • Luhū Zuoan (四川成都/三盛•麓湖左岸) is located at Zhengxing Street, Tianfu New District, Sichuan. The total site area of the project is approximately 26,163 sq.m. and the total GFA is approximately 78,558 sq.m.. The land use of the project is mainly for residential and commercial uses. The project is under development and expected to launch its initial pre-sale in December 2021 and expected to be completed in 2023.

Hantai Hanzhong Shaanxi/Sansheng Tianyue

Hantai Hanzhong Shaanxi/Sansheng Tianyue (陝西漢中漢台/三盛天悅) is located at the northeast corner of the intersection of Bowang Road and Yizhou Road, Hanzhong City, Shaanxi Province. The total site area is approximately 44,031 sq.m. and the total GFA is approximately 160,698 sq.m.. The land use of the project is for residential and commercial uses. The project launched its initial pre-sale in May 2021. The project is under development and expected to be completed in 2022.

Changle Fuzhou Fujian/Sansheng Puyue Binjiang

Changle Fuzhou Fujian/Puyue Binjiang (福建福州長樂/璞悅濱江) is located at No. 288, Hexie Road, Yingqian Street, Changle District, Fuzhou City, bordered by Yingbin Road to the west, Hexie Road (Dongjiang Lake Park) to the south, Shizheng Road to the north and Xiagang Road to the east. The total site area is approximately 51,955 sq.m. and the total GFA is approximately 164,908 sq.m.. The land use of the project is mainly for residential and commercial uses. The project was completed in August 2020.

Licheng Quanzhou Fujian/Sansheng Puyueli

Licheng Quanzhou Fujian/Sansheng Puyueli (福建泉州鯉城/三盛璞悦里) is located at Jiangnan Street, Jiangnan New District, Licheng District. The total site area is approximately 16,960 sq.m. and the total GFA is approximately 40,716 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in November 2019, the pre-sale launched in June 2020. The project is under development and expected to be completed in the second half of 2021.

Longquanyi Chengdu Sichuan/Sansheng Metropolis

Longquanyi Chengdu Sichuan/Sansheng Metropolis (四川成都龍泉驛/三盛都會城) is located at the east side of Longhua Road in Longquanyi District. The total site area is approximately 133,333 sq.m. and the total GFA is approximately 588,174 sq.m.. The land use of the project is mainly for residential and commercial uses. The project is being developed in five phases. Phase 1 and Phase 3 were pre-sold in 2013 and 2014 respectively and completed in 2016; Phase 4 was pre-sold in December 2017 and completed in 2020.

Jiaozuo Henan/Jiaozuo Tianyue Mansion

Jiaozuo Henan/Jiaozuo Tianyue Mansion (河南焦作/焦作天悦府) is located at the west of Yingbin Road, north of Zhongwei Road, east of Likang Mold, south of used-car market, Jiaozuo City, Henan Province, the PRC. The total site area is approximately 22,117 sq.m. and the total GFA is approximately 59,588 sq.m.. The land use of the project is for residential use. The project launched its initial pre-sale in July 2021. The project is under development and expected to be completed in 2022.

Shenhe Shenyang Liaoning • Yifu Project

The Yifu Land located in Shenyang is currently the Group's commercial property project under development. Based on the master layout plan submitted to the relevant planning bureau in 2013, the Group plans to develop a commercial complex with a three-level basement consisting of retail shops, offices, service apartments and car parking spaces with an aggregate GFA of approximately 186,065 sq.m. on the Yifu Land.

As of the date of this interim results announcement, the final approval for the master layout plan has not yet been obtained, mainly due to a number of issues which the Group and the local government are still working together for a resolution. The Group has started to communicate with the local government authorities, striving to obtain a solution that is the most favorable to the Company as soon as practicable.

EVENTS AFTER THE REPORTING PERIOD

On 6 July 2021, the Company issued senior notes with principal amount of US\$100,000,000 issued at par. The notes were guaranteed by certain subsidiaries of the Company and interest-bearing at a rate of 13.0% per annum. The notes will mature on 5 July 2022, if not redeemed or repurchased earlier.

Reference is made to the announcement of the Company dated 14 July 2021 (the “Announcement”). On 14 July 2021, Shanghai Mangsheng Industrial Development Co., Ltd.* (上海芒盛實業發展有限公司) (“Shanghai Mangsheng”), an indirect wholly-owned subsidiary of the Company, entered into agreements with Jiangsu Beisheng Enterprise Management Co., Ltd.* (江蘇北盛企業管理有限公司) (“Jiangsu Beisheng”), 40% equity shareholder of Shanghai Shengque Industrial Development Co., Ltd.* (上海盛闕實業發展有限公司) (“Shanghai Shengque”), under which Shanghai Mangsheng would conditionally acquire 40% equity interest in Shanghai Shengque, at a consideration of RMB336,702,200.

As disclosed in the Announcement, under a contractual arrangement, the 70% equity interests investment made by Xingye Trust in Shanghai Shengque is in substance a fixed return debt investment, (i.e. “in-substance loan” arrangement which refers to an investment that is classified as equity, but that performs in effect like a debt), the actual beneficial ownership in the equity interests of Shanghai Shengque is considered to be vested in Shanghai Mangsheng and Jiangsu Beisheng as to 60% and 40%, respectively, and Shanghai Shengque is accounted for as a 60%-owned joint venture of the Group.

The reasons and background for using the said contractual arrangement in Shanghai Shengque are due to the need of Shanghai Shengque to obtain a bridging loan for the payment of the consideration for the acquisition of the lands for the property project at that material time (i.e. second half of 2020), until Shanghai Shengque or the project company, Wuxi Shengbin Real Estate Development Co., Ltd.* (無錫盛濱房地產開發有限公司) (“Wuxi Shengbin”), a direct wholly-owned subsidiary of Shanghai Shengque, is eligible for traditional bank financing at a later stage in the property project.

The acquisition has been completed on 29 July 2021. Accordingly, the contractual arrangement of Shanghai Shengque is no longer valid, and 100% of the equity interest in Shanghai Shengque is legally and beneficially wholly owned by Shanghai Mangsheng.

On 21 July 2021, Shanghai Shengque entered into an agreement with Shanghai Xinda Liren Investment Management Co., Ltd.* (上海信達立人投資管理有限公司) (“Xinda Liren”), an independent third party of the Company, under which Xinda Liren would invest in Wuxi Shengbin by way of capital injection of RMB50,000,000, representing 50% equity interest in Wuxi Shengbin. Accordingly, Wuxi Shengbin has become a 50%-owned joint venture of the Group.

* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*

OUTLOOK AND PLANS

The Group will maintain its sensitivity to the market dynamics of the real estate industry and its agility in responding to the volatility of macro policies. While adhering to the established strategic direction, the Group will actively and effectively carry out tactical adjustments and local optimization to achieve moderate scale while going on the route of efficiency.

After a long period of dedication, the Group has developed the “Western Straits Economic Zone”, the “Yangtze River Delta Economic Zone” and the “Bohai Economic Rim” as the key regions for business contribution. In recent years, the expansion into the “Guangdong-Hong Kong-Macau Greater Bay Area” and “Yangtze River Economic Belt” markets has also become the new highlight of the Group. The platform structure of “Large-scale business platform for wealth community” has begun to play its role in achieving win-win effect continuously. Through the three strategies of “precise investment, high caliber team and superior product”, the Group has been improving its business scale and operating results, and realizing the overall business strategy layout and optimization.

In the face of the uncertain market environment in the future, the Group will adhere to the proper development path, proceed with investment in developing established regions, cultivate potential newly expanded regions with continuous optimization of its own system to realize “management bonuses”, and create better performance returns for our investors with a “long-term perspective”.

EMPLOYEES

As at 30 June 2021, the Group employed a total of 1,424 employees, 1,420 of them were based in Mainland China. Staff costs (excluding directors’ emoluments) for the six months ended 30 June 2021 amounted to approximately RMB272.2 million (for the six months ended 30 June 2020 (restated): approximately RMB118.5 million). The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of its own salary and bonus system.

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

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

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2021.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2021, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

The financial information in this announcement is unaudited, but has been reviewed by KPMG 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 HKICPA.

ACKNOWLEDGEMENT

I would like to thank the Board, the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to the Group.

By order of the Board
Sansheng Holdings (Group) Co. Ltd.
Chairman
Lin Rongbin

Hong Kong, 20 August 2021

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Lin Rongbin and Ms. Cheng Xuan; two non-executive directors, namely Mr. Xiao Zhong and Mr. Xu Jianwen; and three independent non-executive directors, namely Mr. Pan Dexiang, Mr. Yuan Chun and Mr. Zhu Hongchao.