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Tian Shan Development (Holding) Limited
天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2118)

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

Interim Results

The board of directors (the “Board”) of Tian Shan Development (Holding) Limited (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 (the “Period”) together with the comparative figures for the corresponding period in 2020.

Financial Highlights	For the six months ended 30 June		Change %
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	
Revenue	600,784	1,450,927	(58.6)
Loss for the period	(92,406)	(3,562)	(2,494.2)
Contracted sales during the period	1,759,416	2,467,690	(28.7)
Basic loss per share (<i>RMB cents</i>)	(8.91)	(2.14)	(316.4)

Condensed Consolidated Statement of Profit or Loss
for the six months ended 30 June 2021 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Revenue	5	600,784	1,450,927
Cost of sales		<u>(420,008)</u>	<u>(1,121,586)</u>
Gross profit		180,776	329,341
Other net income		16,669	18,120
Selling and marketing expenses		(140,511)	(135,770)
Administrative expenses		(121,284)	(134,194)
(Loss)/profit from operations		(64,350)	77,497
Finance income		6,654	11,689
Finance expenses		(18,108)	(46,877)
Net finance expenses	6(a)	(11,454)	(35,188)
(Loss)/profit before taxation	6	(75,804)	42,309
Income tax	7	(16,602)	(45,871)
Loss for the period		(92,406)	(3,562)
Attributable to:			
Equity shareholders of the Company		(89,596)	(21,519)
Non-controlling interests		(2,810)	17,957
Loss for the period		(92,406)	(3,562)
Loss per share (RMB cents)	9		
Basic		(8.91)	(2.14)
Diluted		(8.91)	(2.14)

Condensed 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
	RMB'000	RMB'000
Loss for the period	(92,406)	(3,562)
Other comprehensive income for the period		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income-net movement in fair value reserve (non-recycling)	6,671	–
<i>Item that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign subsidiaries	40,266	(19,000)
Other comprehensive income for the period	46,937	(19,000)
Total comprehensive income for the period	(45,469)	(22,562)
Attributable to:		
Equity shareholders of the Company	(42,659)	(40,519)
Non-controlling interests	(2,810)	17,957
Total comprehensive income for the period	(45,469)	(22,562)

Condensed Consolidated Statement of Financial Position
at 30 June 2021 – unaudited
(Expressed in Renminbi)

	At 30 June 2021	At 31 December 2020
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets		
Property, plant and equipment and leasehold land	1,380,881	1,387,755
Investment properties	541,760	555,893
Other financial assets	313,996	289,650
Deferred tax assets	151,205	158,498
	<u>2,387,842</u>	<u>2,391,796</u>
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Current assets		
Inventories	20,326,019	19,599,965
Contract costs	86,386	97,047
Contract assets	331,024	228,608
Trade and other receivables	3,007,158	3,391,078
Prepaid tax	462,660	418,827
Restricted cash	1,128,626	1,202,743
Cash and cash equivalents	303,229	374,757
	<u>25,645,102</u>	<u>25,313,025</u>
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Current liabilities		
Bank loans-secured	1,272,683	1,382,701
Other loans-secured	1,660,255	1,578,661
Trade and other payables	6,498,177	6,795,565
Contract liabilities	12,577,172	11,335,115
Promissory notes	277,069	279,848
Bond payables	101,702	78,965
Lease liabilities	2,139	2,080
Taxation payable	494,580	509,902
	<u>22,883,777</u>	<u>21,962,837</u>
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Net current assets	<u>2,761,325</u>	<u>3,350,188</u>
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Total assets less current liabilities	<u>5,149,167</u>	<u>5,741,984</u>
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	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Non-current liabilities		
Bank loans-secured	1,685,833	1,754,710
Other loans-secured	876,567	1,312,632
Bond payables	163,160	184,447
Lease liabilities	5,790	7,414
Deferred tax liabilities	259,883	269,378
	<u>2,991,233</u>	<u>3,528,581</u>
NET ASSETS	<u><u>2,157,934</u></u>	<u><u>2,213,403</u></u>
CAPITAL AND RESERVES		
Share capital	87,195	87,195
Reserves	<u>2,008,141</u>	<u>2,050,800</u>
Total equity attributable to equity shareholders of the Company	<u>2,095,336</u>	<u>2,137,995</u>
Non-controlling interests	<u>62,598</u>	<u>75,408</u>
TOTAL EQUITY	<u><u>2,157,934</u></u>	<u><u>2,213,403</u></u>

Notes to the Unaudited Interim Financial Report
for the six months ended 30 June 2021
(Expressed in Renminbi unless otherwise indicated)

1 CORPORATION INFORMATION

Tian Shan Development (Holding) Limited was incorporated in the Cayman Islands on 10 June 2005 and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its principal place of business is at Suite 801, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong and its registered office is at Windward 3, Regatta office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Group is principally engaged in property development in the People's Republic of China (the "PRC"). The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 July 2010.

2 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, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB").

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 3.

The preparation of this interim financial report is in conformity with IAS 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.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current accounting period of the Group:

- Amendments to IFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the Phase 2 amendments) *Interest Rate Benchmark Reform-Phase 2*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEGMENT REPORTING

Management has determined operating segments with reference to the reports reviewed by the chief operating decision maker (the “CODM”) of the Group that are used to assess the performance and allocate resources.

The CODM of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group’s activities are considered to be primarily dependent on the performance on property development. Therefore, management considers there to be only one operating segment under the requirements of IFRS 8, *Operating Segments*. In this regard, no segment information is presented in the interim financial report.

No geographic information is shown as the revenue and profit from operation of the Group is derived from activities in the PRC.

5 REVENUE

The principal activity of the Group is property development.

Revenue primarily represents income from sales of properties and rentals from investment properties. Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2021	2020
	RMB’000	RMB’000
Revenue from contracts with customers within the scope of IFRS 15		
Income from sales of properties	459,195	1,421,746
Income from construction contracts	102,416	–
Others	10,430	5,361
	572,041	1,427,107
Revenue from other sources		
Gross rental income	28,743	23,820
	600,784	1,450,927
Disaggregated by timing of revenue recognition		
Point in time	469,625	1,427,107
Over time	131,159	23,820
	600,784	1,450,927

The Group’s customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group’s revenue.

6 (LOSS)/PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
(a) Net finance expenses		
Interest income	<u>(6,654)</u>	<u>(11,689)</u>
Finance income	<u>(6,654)</u>	<u>(11,689)</u>
Interest on lease liabilities	116	694
Interest expense and other borrowing costs	275,441	351,048
Less: interest and borrowing costs capitalised	(258,012)	(308,561)
Exchange loss	<u>563</u>	<u>3,696</u>
Finance expenses	<u>18,108</u>	<u>46,877</u>
Net finance expenses	<u>11,454</u>	<u>35,188</u>
(b) Other items		
Depreciation and amortisation		
– owned property, plant and equipment	24,257	20,978
– right-of-use assets	<u>1,464</u>	<u>1,882</u>

7 INCOME TAX

	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Current tax		
PRC Corporate Income Tax	5,747	22,116
PRC Land Appreciation Tax	11,874	24,009
Under-provision in respect of prior years	<u>3,406</u>	<u>3,471</u>
	21,027	49,596
Deferred taxation	<u>(4,425)</u>	<u>(3,725)</u>
	<u>16,602</u>	<u>45,871</u>

- (i) Pursuant to the rules and regulations of the British Virgin Islands (the “BVI”) and the Cayman Islands, the Group is not subject to any income tax in the BVI or the Cayman Islands.
- (ii) No Hong Kong Profits Tax has been provided for as the Group’s Hong Kong operations do not give rise to estimated assessable profits during the period.

(iii) PRC Corporate Income Tax (“CIT”)

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the Group’s subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

The PRC subsidiaries of the Group were charged at 25% (six months ended 30 June 2020: 25%) on estimated assessable profits for the period.

(iv) PRC Land Appreciation Tax (“LAT”)

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

Certain subsidiaries of the Group were subject to LAT which is calculated based 5% (six months ended 30 June 2020: 5%) of their revenue in accordance with the authorised taxation method approved by respective local tax bureau.

8 DIVIDENDS

(a) Dividend payable to equity shareholders of the Company attributable to the interim period

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

(b) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

The directors of the Company did not recommend the payment of a final dividend attributable to the previous financial year during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB89,596,000 (six months ended 30 June 2020: RMB21,519,000) and the weighted average of 1,005,881,955 ordinary shares (six months ended 30 June 2020: 1,005,801,186 ordinary shares) in issue during the interim period.

During the six months ended 30 June 2021 and 2020, diluted loss per share are calculated on the same basis as basic loss per share.

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Trade receivables, net of loss allowance (<i>note (a)</i>)	171,199	191,054
Other receivables	<u>1,210,260</u>	<u>1,237,691</u>
Loans and receivables	1,381,459	1,428,745
Deposits and prepayments	<u>1,625,699</u>	<u>1,962,333</u>
	<u><u>3,007,158</u></u>	<u><u>3,391,078</u></u>

(a) The ageing analysis of trade receivables, net of loss allowance, is as follows:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Less than 1 month	31,888	34,887
More than 1 month but less than 3 months	31,646	21,343
More than 3 months	<u>107,665</u>	<u>134,824</u>
	<u><u>171,199</u></u>	<u><u>191,054</u></u>

The trade receivables represented the amount due from the purchasers of the Group's properties. In most cases, the Group receives full payments from properties purchasers by way of initial payment and their mortgage loans from banks. For industrial properties and commercial properties, the Group allows certain purchasers, after assessment of their credit information, to pay by instalments within a maximum period of two years.

The Group provided expected credit losses on individual basis of RMB29,267,000 for trade receivables due from certain purchasers which failed to obtain mortgage loans from banks as scheduled during the year ended 31 December 2020.

11 TRADE AND OTHER PAYABLES

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Trade payables (<i>note (a)</i>)	580,096	623,138
Bills payable (<i>note (a)</i>)	131,187	117,289
Amounts due to the ultimate holding company (<i>note (b)</i>)	110,189	105,149
Amounts due to related parties (<i>note (b)</i>)	95,816	149,064
Other payables and accrued charges (<i>notes (c)</i>)	<u>3,795,851</u>	<u>3,688,347</u>
Financial liabilities measured at amortised cost	4,713,139	4,682,987
Receipts in advance	<u>1,785,038</u>	<u>2,112,578</u>
	<u><u>6,498,177</u></u>	<u><u>6,795,565</u></u>

- (a) An ageing analysis of trade payables and bills payable is set out as follows:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Within 1 month	104,784	205,687
1 month to 3 months	105,253	67,414
Over 3 months but within 6 months	<u>501,246</u>	<u>467,326</u>
	<u><u>711,283</u></u>	<u><u>740,427</u></u>

- (b) Amounts due to the ultimate holding company, Neway Enterprises Limited, and related parties are unsecured, interest-free and repayable on demand.
- (c) Included in other payables and accruals were accrued construction costs to Hebei Tianshan Industrial Group Construction Engineering Company Limited amounted to RMB402,371,000 (31 December 2020: RMB311,147,000).

BUSINESS REVIEW AND PROSPECTS

Market Review

During the Period, accordingly to the data from the National Bureau of Statistics (the “NBS”), gross domestic product (GDP) for the first half of 2021 in the People’s Republic of China (the “PRC”) increased by 12.7% year-on-year. The real estate market of the PRC remained generally stable. The macro-measures on real estate finance accelerated and regulation of financing channels continued to be in force.

For the six months ended 30 June 2021, according to the data from the NBS, the sales area of commodity housing in the PRC reached 886.4 million square meters, representing a year-on-year increase of 27.7%. The volume of commodity housing transactions was RMB9,293.1 billion, representing a year-on-year increase of 38.9%.

Property development and investment

As at 30 June 2021, the Group had numerous property projects under development, which were primarily located in Shijiazhuang, Tianjin, Yinchuan and Yangzhou.

The total contracted sales amount for the six months ended 30 June 2021 was approximately RMB1,759.4 million (six months ended 30 June 2020: approximately RMB2,467.7 million) which decreased by 28.7% as compared over the same period last year. The decrease in contracted sales during the Period was primarily due to the impact of lockdown measures imposed by local government under the COVID-19 pandemic which hindered sales activities. The contracted sales were primarily contributed by the sale and pre-sale of property projects, namely *Yinchuan • Tian Shan Guanlan Yuan, World No. One, Yinchuan • Xing Qing Tian Shan Auspicious Lake, Tian Jin • Tian Shan Auspicious Lake, Tian Shan Ambassador House*, etc.

During the six months ended 30 June 2021, the Group has replenished its land bank by acquiring a residential land parcel through auction/bidding/tender in Shijiazhuang at a consideration of RMB38.7 million with estimated salable gross floor area of approximately 34,350 sq.m. which are intended to be developed for sale in two to three years’ time.

Prospects

Benefited from continued joint and prevention measures, there was effective control of the COVID-19 pandemic in the PRC during and after the Period and overall business operations of the Group has gradually recovered. With the introduction of the “Three Red Lines” policy in the fourth quarter of the year 2020, which requires property developers to impose strict control over their debt ratios, the directors of the Company (the “Directors”) are of the view that the competition in the PRC real estate market will intensify as stringent regulation on real estate developers’ financing continued and property developers may launch new projects faster to encourage cash collection.

The central government has reiterated policy principle of “houses are not for speculation, but for living”. Therefore, the central government is expected to continue introducing policies with the objectives of stabilising land and housing selling prices.

In the future, the Group will continue to follow the national policy, combine its competitive advantages and market positioning, focus on the Beijing-Tianjin-Hebei region, strategically increase presence in Yinchuan and Yangzhou markets, and vigorously enhance its market share where its business locates. Meanwhile, the Group will continue to maintain sound cash flow of the Company and ensure its sustainable and healthy development.

FINANCIAL REVIEW

The Group’s revenue decreased substantially by approximately 58.6% to approximately RMB600.8 million from RMB1,450.9 million as compared with the same period of last year. The decrease in revenue during the Period was mainly due to the decreased number of completed properties delivered to the customers as compared with the same period last year. During the Period, the Group’s revenue was principally derived from the sales and delivery of residential property projects, namely *Yinchuan • Xing Qing Tian Shan Auspicious Lake*, *Yinchuan • Tian Shan Ambassador House*, *Tian Shan • Chuangye City*, *Tian Shan • Yilan Community*, etc.

The cost of sales decreased by approximately 62.6% to approximately RMB420.0 million from RMB1,121.6 million as compared with the same period of last year. The decrease commensurates with the decrease in revenue during the six months ended 30 June 2021.

As a result of the foregoing, the amount of the gross profit decreased to approximately RMB180.8 million from RMB329.3 million in the same period of last year. The gross profit margin for the Period increased to approximately 30.1% as compared with 22.7% for the same period of the preceding year. The increase in gross profit margin was mainly due to higher average selling prices of the commercial properties delivered during the Period, while during the same period last year certain initial batches residential properties in Yinchuan, Ningxia were sold at comparatively lower prices to attract customers.

The Group’s selling and marketing expenses increased slightly by approximately 3.5% to RMB140.5 million for the Period from RMB135.8 million for the same period of last year. Advertising and promotion expenses remained at similar level when compared with that of the same period last year.

The Group’s administrative expenses decreased by approximately 9.6% to RMB121.3 million from RMB134.2 million for the same period of last year. The decrease was primarily due to the reduction in headcounts as compared with the same period last year.

During the Period, the Group recorded RMB16.6 million for the Corporate Income Tax (“CIT”) and Land Appreciation Tax (“LAT”) in the PRC after considering the estimated effective CIT and LAT for the Period (six months ended 30 June 2020: RMB45.9 million). The decrease of approximately RMB29.3 million or 63.8% as compared with the corresponding period in 2020 was mainly due to the decrease in LAT as a result of the decrease in revenue.

As a result of the above, the Group recorded a net loss of approximately RMB92.4 million for the Period as compared with RMB3.6 million for the same period of last year.

Financial Resources, Liquidity and Gearing Ratio

The Group financed its property projects primarily through the shareholders equity, bank and other borrowings, promissory note and sales/pre-sales proceeds from completed properties/properties under development.

As at 30 June 2021, the gearing ratio (calculated as net debt divided by adjusted capital) is as follows:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Total bank and other borrowings	5,495,338	6,028,704
Promissory notes	277,069	279,848
Bond payables	264,862	263,412
Less: Cash and cash equivalents	<u>(303,229)</u>	<u>(374,757)</u>
Net debt	<u>5,734,040</u>	<u>6,197,207</u>
Total equity	<u>2,157,934</u>	<u>2,213,403</u>
Net debt-to-capital ratio	<u>2.66</u>	<u>2.80</u>

The gearing ratio decreased from 2.80 to 2.66 primarily due to the net effect of the decrease in bank and other loans of approximately RMB533.4 million and the decrease in cash and cash equivalents by approximately RMB71.5 million.

Current Assets and Liabilities

As at 30 June 2021, the Group had total current assets of approximately RMB25,645.1 million (31 December 2020: RMB25,313.0 million), comprising mainly inventories, trade and other receivables, restricted cash and cash and cash equivalents.

As at 30 June 2021, the Group had total current liabilities of approximately RMB22,883.8 million (31 December 2020: RMB21,962.8 million), comprising mainly bank and other borrowings, trade and other payables, contract liabilities and taxation payable.

As at 30 June 2021, the current ratio (calculated as the total current assets divided by the total current liabilities) was 1.1 (31 December 2020: 1.2).

Employees' Remuneration and Benefits

As at 30 June 2021, the Group employed a total of 1,465 employees (31 December 2020: 1,531 employees). The compensation package of the employees includes basic salary and bonus which depends on the employee's actual achievement against target. In general, the Group offered competitive salary package, social insurance, pension scheme to its employees based on the current market salary levels. The Company does not have any share option scheme.

Foreign Exchange and Currency Risks

The Group's businesses are principally conducted in Renminbi, therefore, the Group was not exposed to significant foreign currency exchange risks as of 30 June 2021 and the Group did not employ any financial instruments for hedging purposes.

In addition, Renminbi is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands of the Group.

Interest Rates and Interest Rate Risks

The Group's borrowings (including bank loans, other loans, promissory notes and bond payables) are all denominated in Renminbi and Hong Kong dollars, and are primarily at fixed interest rates ranged from 3.85% to 13.00% per annum.

The Group does not carry out any hedging activities to manage its interest rate exposure.

Capital Expenditure

During the six months ended 30 June 2021, the Group incurred capital expenditure in the amount of approximately RMB1,373.1 million comprising primarily the Group's addition in property, plant and equipment, and the land and development costs of the Group's property projects.

Charge on Assets

As at 30 June 2021, the Group had restricted cash of approximately RMB443.3 million (31 December 2020: RMB480.8 million) deposited with certain banks as guarantee deposits against certain bank and other loans, bills payable, and mortgage loan facilities granted by the banks to purchasers of the Group's properties. In addition, the Group's inventories, contract assets, property, plant and equipment, and investment properties in aggregate of approximately RMB9,178.0 million (31 December 2020: RMB9,064.0 million) were secured against the bank and other loans of the Group.

As at 30 June 2021, the Group had also charged certain of its investment properties and inventories in aggregate of approximately RMB82.7 million (31 December 2020: RMB86.2 million) in favour of a bank for its grant of banking facilities of RMB40.0 million (31 December 2020: RMB60.0 million) to a related party.

Contingent Liabilities

Except for the guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties of RMB9,354.0 million (31 December 2020: RMB9,532.3 million) and the guarantee provided to a bank in respect of banking facilities granted to a related party of RMB40.0 million (31 December 2020: RMB60.0 million), the Group had no material contingent liability as at 30 June 2021.

Material Acquisitions and Disposals

The Group had not participated in any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

Significant Investments

The Group did not make any significant investments during the Period and there were no intended plans for material investments which were expected to be carried out in the coming year.

INTERIM DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of conduct regarding directors’ securities transactions.

The Company confirms that, having made specific enquiry of all the Directors, the Directors have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2021.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2021.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any important event affecting the Group which has occurred subsequent to 30 June 2021 and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan. The principal duties of the audit committee include the review of the Company’s financial reporting procedures, risk management and internal controls systems and financial results of the Group. The unaudited condensed consolidated interim financial report has been reviewed by the audit committee.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tian-shan.com. An interim report for the six months ended 30 June 2021 will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
Tian Shan Development (Holding) Limited
Wu Zhen Shan
Chairman

Hong Kong, 30 August 2021

As at the date of this announcement, the executive Directors are Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai; and the independent non-executive Directors are Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan.