



**GLORY 国瑞**

GUORUI PROPERTIES LIMITED  
國瑞置業有限公司



中期報告  
Interim Report  
**2021**

(於開曼群島以「Glory Land Company Limited (国瑞置業有限公司)」的名稱註冊成立的有限公司，並以「Guorui Properties Limited」的名稱在香港經營業務)

(Incorporated in the Cayman Islands with limited liability under the name of "Glory Land Company Limited (国瑞置業有限公司)" and carrying on business in Hong Kong as "Guorui Properties Limited")

香港聯合交易所股份代號 Stock Code : 2329

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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Zhang Zhangsun (*Chairman*)  
Ms. Ruan Wenjuan  
Ms. Zhang Jin  
Mr. Lin Yaoquan  
Ms. Dong Xueer

### Independent Non-Executive Directors

Mr. Luo Zhenbang  
Mr. Lai Siming  
Ms. Chen Jingru

## JOINT COMPANY SECRETARIES

Ms. Zheng Jin (CPA)  
Ms. Kwong Yin Ping, Yvonne (FCIS, FCS)

## AUTHORIZED REPRESENTATIVES

Mr. Zhang Zhangsun  
Ms. Zheng Jin

## AUDIT COMMITTEE

Mr. Luo Zhenbang (*Committee Chairman*)  
Mr. Lai Siming  
Ms. Chen Jingru

## REMUNERATION COMMITTEE

Mr. Lai Siming (*Committee Chairman*)  
Ms. Ruan Wenjuan  
Mr. Luo Zhenbang

## NOMINATION COMMITTEE

Mr. Zhang Zhangsun (*Committee Chairman*)  
Mr. Lai Siming  
Mr. Luo Zhenbang

## INTERNAL CONTROL COMMITTEE

Ms. Chen Jingru (*Committee Chairman*)  
Mr. Luo Zhenbang  
Ms. Ruan Wenjuan

## AUDITOR

Moore Stephens CPA Limited  
*Certified Public Accountants and Registered  
Public Interest Entity Auditor*

## PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited  
Agricultural Bank of China Limited  
Bank of China Limited  
China Construction Bank Corporation  
Bank of Beijing Co., Ltd.

## LEGAL ADVISORS

### As to Hong Kong Law

Baker & McKenzie  
14th Floor, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## CORPORATE HEAD OFFICE IN HONG KONG

RM2802, 28/F, Harbour Centre  
25 Harbour Road, Wan Chai  
Hong Kong

## CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

East Block, Hademen Plaza  
8-1# Chongwenmenwai Street  
Dongcheng District, Beijing  
PRC

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## LISTING INFORMATION

### Share Listing

The Company's ordinary shares  
The Stock Exchange of Hong Kong Limited  
(the "**Stock Exchange**")  
Stock Code: 02329

### Senior Notes Listing

Stock Exchange  
Stock Code: 05834; 40558

## WEBSITE

<http://www.glorypty.com/>

# Financial Highlights

The board (the “**Board**”) of directors (the “**Directors**”) of Guorui Properties Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce to the Group’s shareholders (the “**Shareholders**”) the interim results of the Group for the six months ended June 30, 2021, together with comparative figures for the corresponding period in 2020. The Group’s interim results have not been audited but have been reviewed by the Company’s audit committee and the Company’s auditors, Moore Stephens CPA Limited. The auditor’s review report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

- Achieved contracted sales for the six months ended June 30, 2021 (the “**Reporting Period**”) was RMB7,007.2 million with corresponding contracted gross floor area (“**GFA**”) of approximately 338,249 sq.m.;
- Revenue for the Reporting Period was RMB6,574.6 million, of which the revenue from property development was RMB6,176.7 million;
- Gross profit for the Reporting Period was RMB1,047.9 million;
- Net profit for the Reporting Period was RMB370.6 million;
- Basic earnings per share for the Reporting Period were RMB6.0 cents;
- Land reserves reached a total GFA of 8,545,084 sq.m. and the average cost of land reserves was RMB4,097.67 per sq.m. as at June 30, 2021;
- Contracted average selling price (“**ASP**”) for the Reporting Period was RMB20,716 per sq.m. The average cost of land reserves accounted for 19.8% of the ASP for the Reporting Period.

# Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended June 30, 2021.

## RESULTS AND REVIEW FOR THE FIRST HALF OF 2021

### Interim Results

During the Reporting Period, the revenue of the Group was RMB6,574.6 million. Revenue from property development was RMB6,176.7 million. For the six months ended June 30, 2021, the Group's gross profit was RMB1,047.9 million, net profit was RMB370.6 million.

### Market Review

2021 marks the first year of the "14th Five-Year Plan", and also a year of significance in China's modernization process. For real estate industry, under dual-circulation development featuring "the new development pattern with domestic macro-circulation as its core, and mutual promotion of international and domestic dual-circulation", it is expected that the segregation of cities under different tiers would be intensifying, and the industry would witness the change of era from leverage dividend to management dividend.

As stated in the Proposals of the CPC Central Committee for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035, "Housing is for people to live in, not for speculation. Emphasis is placed on both rental and purchase with differential policies across cities, so as to promote the long-term stable and sound development of the real estate market." The tone of the overall property market regulation remains the same as in recent years. Besides, the Proposal specified "promoting the healthy development of residence consumption". Reasonable housing consumption is still being encouraged and endorsed and support, and regulatory policies may be supplemented and optimized in related aspects. The Proposal also specified "promoting the balanced development of finance, real estate and the real economy", indicating that real estate and finance will focus more on coordinated development and play a more important role in promoting the real economy.

### Property Development

In the first half of 2021, under the macro environment of increasingly stringent regulatory policies and capital supervision, the Group is committed to promoting the high-quality corporate development by balancing the three driving forces, namely sales, investment and financing. During the Reporting Period, the contracted sales was approximately RMB7,007.2 million; the contracted GFA sold was 338,249 sq.m; the contracted average selling price was RMB20,716 per sq.m. In terms of contribution by cities, Beijing, Xi'an and Foshan recorded outstanding performances, with a month-by-month growth trend. The contracted sales for the first half of 2021 were approximately RMB4,177.8 million, RMB754.6 million and RMB710.6 million respectively, accounting for 59.6%, 10.8% and 10.1% of the Group's total contracted sales respectively. Through the implementation of policies in line with the conditions of cities and the optimization of its product mix, the Group met market demands at different levels, thus increasing its market share.

Under the keynotes of "promoting the stable and healthy development of the real estate market", it is anticipated that the market would remain stable with continuing segregation of sales performance among different cities. In terms of demand, supported by the long-term economic development brought by the demand for housing and driven by factors such as net population inflows, the sales performance in first-tier cities and second-to third-tier core cities of metropolitan area would maintain great resilience. The Group will carry out delicacy management, be continuously and deeply engaged in markets of the Beijing-Tianjin-Hebei region, the Yangtze River Economic Zone and the Guangdong-Hong Kong-Macao Greater Bay Area, and actively explore investment property and urban renewal projects, so as to enhance the full-cycle competitiveness. In terms of contribution by regions, the Group insisted on deep development in regions, mainly in the Beijing-Tianjin-Hebei, Yangtze River Economic Zone and the Guangdong-Hong Kong-Macao Greater Bay Area, thus maintaining stable sales. Beijing Glory Villa (北京國瑞熙墅), Beijing Haidian Cuihu (北京海澱翠湖), Foshan Xiqiao Project (佛山西樵項目), Xi'an Financial Center (西安金融中心) and other projects saw satisfactory sales.

### Investment Properties

During the Reporting Period, the total rental income of the Group was RMB254.9 million. Rental income is expected to maintain steady growth over the next 2 to 5 years, which is mainly benefited from the Group's 9 investment properties situated at the prime locations of 5 core cities including Beijing and Shenzhen with total planned GFA of approximately 769,379 sq.m. Based on the area under operation, the operating area in Beijing accounted for approximately 60%.

### Land Reserves

During the Reporting Period, under the strategy of "quality improvement and pace control", the Group adopted stricter requirements on profit margins and risk control of project investments, and paid more attention to operation quality and meticulous management. As at June 30, 2021, the total planned GFA of the land reserves of the Group was 8.55 million sq.m., with the average land cost of approximately RMB4,097.67 per sq.m.

Meanwhile, the Group actively undertook primary land development projects as strategic business to obtain potential land reserve. The Group has been undertaking primary land development projects, urban renewal and projects developed under the "urban redevelopment" policy in Beijing, Shenzhen and Shantou. During the Reporting Period, the development area of primary land development projects and urban redevelopment projects without affirmed ownership of the Group was 5.811 million sq.m., 51.6% of which was in Shenzhen.

Accelerating urban renewal and improving renovation and upgrade of available housing are new directions for inventory market. The urban renewal projects, which features small investment and high profit margin, are the important source for the Group to replenish the land reserve in the Greater Bay Area. In the next few years, the Group's urban redevelopment projects and urban renewal projects will turn into sales and become its new profit growth drivers.

## CAPITAL STRUCTURE

In 2021, under the pressure from new financing rules of “Three Red Lines”, the financing environment became more challenging. Through comprehensive utilization of the diversified advantages of domestic and overseas financing channels, the Group has made full use of various financial means to continuously optimize fund management, reduce financing costs, optimize debt structure and effectively control exchange rate risks. At the same time, it will further strengthen the risk control function, improve the financial risk monitoring system, and properly give risk warning and carry out risk prevention.

In March of this year, the Company redeemed partial senior notes due in 2022, and paid a total of US\$159.6 million for principal and interest. Upon completion of the redemption, the principal of the outstanding notes due in 2022 is US\$4.9 million. Upon completion of the redemption of related senior notes, the Company's short-term debt ratio will further decline.

During the Reporting Period, the Group's interest-bearing liabilities due within one year decreased by 27.3% as compared to December 31, 2020.

As at June 30, 2021, the Group's cash, restricted bank deposits and bank balances were approximately RMB2,218.3 million, as compared to RMB1,896.1 million as at December 31, 2020. During the Reporting Period, the Group's net debt to equity ratio decreased by 9.6 percentage points year-on-year.

## OUTLOOK FOR THE SECOND HALF OF 2021

Looking forward to “14th Five Year Plan”, the industry maintains strong resilience. Central government has set out the target of “Balanced development of real estate industry with financial and real economy”, which continuously releases favorable signal for construction of metropolitan areas.

The Group believes that, the real estate industry will enter a new long-term cycle, and the growth pattern of the industry will also experience changes. It will shift from relying on a model of financial leverage to drive growth in the past to a model of stable, balanced and high-quality growth. In line with the development needs of times, the Group will be committed to exploring the innovation of habitation business forms, continuously upgrading products of Guorui, and achieving product ecology construction. In the future, the Group will uphold the strategy of strengthening presences in regions and proactively adopt flexible sales policy, so as to attract more customers with continuous improvement of product structure and outstanding product quality. We will vigorously promote sales while strengthening our efforts on collection of receivables from sales. In addition, we will also continue to optimize the debt structure and endeavour to reduce finance costs in ways that enhance the core competitiveness of the Group, thus ensuring sustainable growth of future performance.

Under the complicated market environment, Guorui Properties will continue to improve its efficiency, carry out steady and sustainable development. It will make efforts to create differentiated products in a truthful and practical manner, so as to empower the creation of a better life in cities.

### ACKNOWLEDGEMENT

On behalf of the Board, I take this opportunity to express my heartfelt gratitude to all our shareholders, investors, partners, customers, and the community for their support and trust. In the past half year, thanks to the guidance from the management of the Company, together with the efforts and contributions from all staff, the Group achieved stable development. In the future, the Company will continue to strive for maximized value and considerable returns for all of its shareholders.

**Zhang Zhangsun**

*Chairman*

Beijing, the PRC  
August 31, 2021



# Management Discussion and Analysis

## BUSINESS REVIEW

For the six months ended June 30, 2021, the Group's revenue was RMB6,574.6 million. Revenue from property development was RMB6,176.7 million. For the six months ended June 30, 2021, the Group's gross profit was RMB1,047.9 million, the net profit was RMB370.6 million.

### Contracted Sales

The contracted sales of the Group for the first half of 2021 amounted to approximately RMB7,007.2 million. The total contracted GFA was approximately 338,249 sq.m. Contracted sales of the Group in the first half of 2021, by geographical location, were mainly from Beijing, Xi'an and Foshan, and the contracted sales amounting to approximately RMB4,177.8 million, RMB754.6 million and RMB710.6 million, respectively, representing 59.6%, 10.8% and 10.1% of the Group's total contracted sales, respectively.

The following table sets out the Group's contracted sales by region for the six months ended June 30, 2021 and 2020:

City	For the Six Months Ended June 30,			
	2021		2020	
	Contracted Sales (RMB million)	Percentage of Total Contracted Sales (%)	Contracted Sales (RMB million)	Percentage of Total Contracted Sales (%)
Beijing	4,177.8	59.6	4,057.8	54.2
Haikou	133.3	1.9	102.8	1.4
Wanning	–	–	120.5	1.6
Langfang	280.4	4.0	91.2	1.2
Zhengzhou	14.9	0.2	45.1	0.6
Shenyang	239.3	3.4	194.4	2.6
Foshan	710.6	10.1	865.5	11.6
Shantou	44.6	0.6	253.0	3.4
Suzhou	445.7	6.4	556.5	7.4
Chongming Island	151.5	2.2	69.4	0.9
Xi'an	754.5	10.8	232.6	3.1
Guizhou	8.4	0.1	56.6	0.8
Wuxi	46.2	0.7	45.2	0.6
Chongqing	–	–	170.7	2.3
Shijiazhuang	–	–	40.8	0.6
Jiangmen	–	–	258.2	3.5
Tianjin	–	–	128.7	1.7
Sanya	–	–	149.1	2.0
Handan	–	–	40.7	0.5
<b>Total</b>	<b>7,007.2</b>	<b>100.0</b>	<b>7,478.8</b>	<b>100.0</b>

Note: Eight collaboration projects exited in November 2020. If the sales of these 8 projects were excluded, the sales in the first half of 2020 would be RMB6,384.81 million. The sales in the first half of 2021 were RMB7,007.2 million, representing a year-on-year increase of 10%.

## Management Discussion and Analysis

### Property Projects

According to the stage of development, the Group classifies its property projects into three categories: completed properties, properties under development and properties held for future development. As some of its projects comprise multiple-phase development on a rolling basis, a single project may include different phases at various stages of completion, under development or held for future development.

As at June 30, 2021, the Group had completed a total GFA of 7,889,677 sq.m. and had land reserves with a total GFA of 8,545,084 sq.m., comprising (a) a total GFA of 1,093,992 sq.m. completed but remaining unsold and available-for-lease, (b) a total GFA of 3,528,766 sq.m. under development, and (c) a total planned GFA of 3,922,326 sq.m. held for future development.

The Group selectively retained the ownership of a substantial amount of self-developed commercial properties with strategic value to generate stable and sustainable income. As at June 30, 2021, the Group had investment properties with a total GFA of 769,379 sq.m. in Beijing Fugui Garden, Beijing Glory City, Beijing Bei Wu Lou, Shenyang Glory City, Eudemonia Palace, Beijing Hademen Center, Shenzhen • Nanshan, Haikou Glory City and Foshan Glory Shengping Commercial Center.

### Properties under development and properties held for future development

The following table sets out a summary of information on the Group's projects under development, project phases and properties held for future development as at June 30, 2021:

Project	Project Type	Site Area (sq.m.)	Under Development			Held for Future Development			Ownership Interest (%)
			GFA Under Development (sq.m.)	Saleable/ Rentable GFA (sq.m.)	GFA Pre-sold (sq.m.)	Planned GFA (sq.m.)	GFA in Respect of Which Land Use Rights Certificates Have Not Been Obtained (sq.m.)		
<b>Beijing</b>									
1	Beijing Glory Villa East	Residential	35,590	137,219	94,277	-	-	-	100
2	Beijing Glory Villa West	Residential	18,555	44,254	41,601	-	-	-	80
3	Daxing Yinghai Project	Residential	13,848	44,610	41,984	12,558	-	-	80
4	Fengtai Xitheyng	Residential	44,575	227,771	188,910	122,909	-	-	16
5	Haidian Cuihu (海澱翠湖)	Residential	82,336	271,381	264,854	187,736	-	-	28
6	Fengtai Xiaowayao (豐台小瓦窯)	Residential	27,200	149,196	148,866	109,669	-	-	40.8
<b>Haikou</b>									
1	Hainan Yunlong	Mixed-use	1,084,162	140,640	130,342	5,913	646,972	-	80
<b>Wanning</b>									
1	Wanning Glory City (phases II to III)	Residential	143,560	17,201	17,080	-	207,886	-	80
<b>Langfang</b>									
1	Yongqing Glory City (Phases I (partial) to II)	Residential	410,569	133,731	95,219	-	734,576	-	80
2	Yongqing Glory City (Phase IV (partial))	Residential	217,726	153,815	107,520	-	284,613	-	100
<b>Zhengzhou</b>									
1	Zhengzhou Glory City (Phases VIII, School)	Mixed-use	11,235	30,535	30,535	13,273	-	-	80

Project	Project Type	Site Area (sq.m.)	Under Development			Held for Future Development			Ownership Interest (%)
			GFA Under Development (sq.m.)	Saleable/ Rentable GFA (sq.m.)	GFA Pre-sold (sq.m.)	Planned GFA (sq.m.)	GFA in Respect of Which Land Use Rights Certificates Have Not Been Obtained (sq.m.)		
<b>Shenyang</b>									
1	Shenyang Glory City (Phase III (partial), Phases V to VII)	Mixed-use	148,186	325,598	287,615	51,477	73,342	-	80
<b>Foshan</b>									
1	Foshan Guohua New Capital (Phase II)	Residential	16,237	18,033	16,413	-	-	-	44
2	Foshan Glory Shengping Commercial Center	Mixed-use	79,311	310,420	220,237	47,294	-	-	80
3	Foshan Xiqiao	Residential	63,952	225,067	255,965	118,400	-	-	80
<b>Xi'an</b>									
1	Glory • Xi'an Financial Center	Mixed-use	19,162	289,978	211,371	98,183	-	-	80
<b>Shantou</b>									
1	Convention Hotel	Mixed-use	28,439	186,799	136,357	55,615	-	-	100
2	Shantou Glory Hospital	Hospital	100,001	314,224	-	-	38,749	-	100
<b>Shenzhen</b>									
1	Shenzhen • Nanshan	Commercial	20,163	42,763	42,763	-	274,213	-	80
<b>Suzhou</b>									
1	Suzhou Glory Villa	Mixed-use	51,205	114,967	107,131	1,466	-	-	80
<b>Qidong</b>									
1	Chongming Island	Residential	986,071	73,024	71,917	71,917	761,358	-	72
2	Butterfly Hotel	Hotel	5,780	-	-	-	5,327	-	100
<b>Wuxi</b>									
1	Glory Luoshe Xincheng (國瑞洛社新城)	Residential	2,455	7,227	7,227	246	-	-	39
<b>Tongren</b>									
1	Guorui Intelligent Eco-town Project (國瑞智慧生態城項目)	Mixed-use	493,463	270,313	176,204	109,856	895,291	895,291	80
<b>Total</b>			<b>4,103,781</b>	<b>3,528,766</b>	<b>2,694,388</b>	<b>1,006,512</b>	<b>3,922,327</b>	<b>895,291</b>	
<b>Total Attributable GFA</b>			<b>3,192,794</b>	<b>2,620,765</b>	<b>1,891,549</b>	<b>591,204</b>	<b>3,142,691</b>	<b>716,233</b>	

## Management Discussion and Analysis

### Investment Properties

The following table sets out a summary of information of the Group's investment properties as of June 30, 2021:

Project	Types of Properties	Total GFA Held for Investment (sq.m.)	Leasable GFA (sq.m.)	Effective Leased GFA (sq.m.)	Total Rental Income	
					2021 (RMB'000)	2020 (RMB'000)
Beijing Glory City	Shopping mall	84,904	46,366	41,248	71,738	108,132
	Offices	8,520	6,930	4,398		
	Car parking spaces	26,324	26,324	21,779		
	Retail outlets	33,032	29,546	11,361		
	Siheyuan	7,219	7,219	3,773		
Eudemonia Palace	Car parking spaces	3,431	3,431	3,431		
Beijing Fugui Garden	Shopping mall	26,146	26,146	18,291	20,301	20,207
	Retail outlets	3,170	3,170	2,594		
Beijing Hademen Center	Commercial Center	15,671	14,703	9,588	130,850	108,732
	Offices	75,171	69,830	66,736		
	Car parking spaces	29,040	23,917	5,056		
Beijing Bei Wu Lou	Offices	10,916	10,916	10,916	12,403	8,445
Shenyang Glory City	Specialized markets	50,841	50,841	19,083	2,090	337
	Retail outlets	58,972	58,972	11,936		
Foshan Glory Shengping Commercial Center	Retail outlets	24,267	24,267	8,688	129	-
	Car parking spaces	10,722	10,722	-		
Foshan Glory Shengping Commercial Center*	Retail outlets	225,531	-	-	-	-
	Car parking spaces					
Shenzhen • Nanshan*	Offices	42,763	-	-	-	-
Haikou Glory City	Offices	32,739	32,739	31,461	17,367	20,594
Shantou Glory City**	Specialized markets	-	-	-	-	12,370
<b>Total</b>		<b>769,379</b>	<b>446,039</b>	<b>270,339</b>	<b>254,878</b>	<b>278,817</b>

\* Projects currently under construction

\*\* Transferred in 2020, and not an investment property of the Company

## Completed Properties

The following table sets out a summary of information on the Group's completed projects and project phases as at June 30, 2021:

Project	Project Type	Site Area (sq.m.)	Completed GFA (sq.m.)	GFA Available for Sale or Use By Us (sq.m.)	GFA Available for Sale (sq.m.)	GFA Held for Investment (sq.m.)	GFA Sold (sq.m.)	Other GFA (sq.m.)	Ownership Interest (%)	
<b>Beijing</b>										
1	Beijing Fugui Garden	Mixed-use	87,075	507,857	47,314	4,489	29,316	421,779	9,447	91
2	Beijing Glory City	Mixed-use	117,473	881,590	62,466	15,433	159,999	641,027	18,099	80
3	Eudemonia Palace	Residential	14,464	33,102	3,431	–	3,431	24,931	1,309	80
4	Beijing Hademen Plaza	Commercial	12,738	140,057	14,817	–	119,882	–	5,358	80
5	Glory Villa West	Residential	54,739	195,611	93,071	60,150	–	84,125	18,415	80
6	Glory Villa East	Residential	58,609	174,804	73,591	57,064	–	83,229	17,984	100
7	Fengtai Xitieying	Residential	21,074	107,686	82,933	–	–	22,353	2,400	16
8	Daxing Yinghai Project	Residential	49,182	158,433	158,433	100,895	–	–	–	80
<b>Haikou</b>										
1	Haikuotiankong Glory City	Mixed-use	141,375	811,123	142,053	12,188	32,739	598,701	37,630	80
2	Haidian Island Glory Garden	Residential	65,643	71,863	14,930	659	–	56,352	581	80
3	Glory Riverview Garden	Residential	36,634	21,658	506	506	–	20,068	1,085	80
4	Haikou West Coast Glory	Residential	34,121	21,971	1,824	1,824	–	18,867	1,281	80
<b>Wanning</b>										
1	Wanning Glory City (Phase I)	Residential	100,780	161,988	8,175	823	–	150,240	3,574	80
<b>Langfang</b>										
1	Yongqing Glory City (Phase I (partial), Phases III, V)	Residential	509,049	450,622	65,158	38,406	–	382,207	3,257	80
2	Yongqing Glory City (Phase IV (partial))	Residential	176,023	667,852	110,913	21,730	–	556,939	–	100
<b>Zhengzhou</b>										
1	Zhengzhou Glory City	Mixed-use	472,992	803,762	77,860	1,289	–	681,058	44,844	80
<b>Shenyang</b>										
1	Shenyang Glory City (Phases I and II, Phase III (partial), Phase IV and Phase V (partial))	Mixed-use	390,417	1,015,405	75,719	10,431	109,813	813,381	16,493	80

## Management Discussion and Analysis

Project	Project Type	Site Area (sq.m.)	Completed GFA (sq.m.)	GFA Available for Sale or Use By Us (sq.m.)	GFA Available for Sale (sq.m.)	GFA Held for Investment (sq.m.)	GFA Sold (sq.m.)	Other GFA (sq.m.)	Ownership Interest (%)	
<b>Foshan</b>										
1	Foshan Guohua New Capital (Phase I and Phase II (partial))	Residential	104,576	498,012	68,618	57,407	–	360,821	68,574	44
2	Foshan Glory Shengping Commercial Center	Mixed-use	10,920	41,847	376	376	34,989	1,505	4,977	80
3	Foshan Xiqiao (佛山西樵)	Residential	1,483	40,174	19,570	9,464	–	20,605	–	80
<b>Shantou</b>										
1	Glory Garden (Phase I)	Mixed-use	14,161	33,795	1,988	1,988	–	31,649	158	100
2	Yu Garden	Residential	8,292	25,767	–	–	–	25,767	–	100
3	Star Lake Residence	Residential	3,589	12,132	–	–	–	12,132	–	100
4	Yashi Garden	Residential	9,472	48,054	56	56	–	47,223	775	100
5	Guan Haiju	Residential	25,922	171,450	42,882	9,200	–	126,979	1,589	100
6	Siji Garden	Residential	42,155	203,549	31,932	5,059	–	151,917	19,700	80
7	Glory Garden (Phase II)	Residential	14,482	78,619	8,403	1,333	–	66,828	3,388	80
<b>Suzhou</b>										
1	Glory Villa	Mixed-use	22,991	126,601	59,792	59,638	–	66,313	496	80
<b>Qidong</b>										
1	Chongming Island	Residential	205,473	247,426	43,588	10,155	–	199,590	4,248	72
2	Butterfly Lake Hotel	Hotel	58,220	53,656	53,656	–	–	–	–	100
<b>Wuxi</b>										
1	Glory Luoshe Xincheng (國瑞洛社新城)	Residential	28,271	83,211	83,211	69,604	–	–	–	39
<b>Total</b>			<b>2,892,395</b>	<b>7,889,677</b>	<b>1,447,266</b>	<b>550,167</b>	<b>490,169</b>	<b>5,666,586</b>	<b>285,662</b>	
<b>Total Attributable GFA</b>			<b>2,283,712</b>	<b>6,201,597</b>	<b>1,002,854</b>	<b>344,046</b>	<b>395,360</b>	<b>4,596,279</b>	<b>207,107</b>	

## Land Reserves

The following table sets out a summary of the Group's land reserves by geographic location as at June 30, 2021:

	Completed	Under Development	Future Development	Total Land Reserves	Of Total Land Reserves	Average Land Cost
	<i>Saleable/ Rentable GFA</i>					
	<i>Remaining Unsold (sq.m.)</i>	<i>GFA Under Development (sq.m.)</i>	<i>Planned GFA (sq.m.)</i>	<i>Total GFA (sq.m.)</i>	<i>(%)</i>	<i>(RMB/sq.m.)</i>
Beijing	550,659	874,431	–	1,425,090	16.7	16,096.5
Haikou	47,916	140,640	646,972	835,528	9.8	1,372.9
Wanning	823	17,201	207,886	225,910	2.6	332.1
Langfang	60,136	287,546	1,019,188	1,366,870	16.0	252.9
Zhengzhou	1,289	30,535	–	31,824	0.4	405.5
Shenyang	120,244	325,598	73,342	519,184	6.1	591.4
Foshan	102,236	553,520	–	655,756	7.7	4,683.8
Xi'an	–	289,978	–	289,978	3.4	1,551.8
Shantou	17,636	501,023	38,749	557,408	6.5	1,059.4
Shenzhen	–	42,763	274,213	316,976	3.7	2,673.7
Suzhou	59,638	114,967	–	174,605	2.0	17,100.6
Chongming Island	63,811	73,024	766,685	903,520	10.6	955.8
Wuxi	69,604	7,227	–	76,831	0.9	5,726.9
Tongren	–	270,313	895,291	1,165,604	13.6	805.9
<b>Total</b>	<b>1,093,992</b>	<b>3,528,766</b>	<b>3,922,326</b>	<b>8,545,084<sup>(1)</sup></b>	<b>100.00</b>	<b>4,097.67</b>
<b>Total Attributable GFA</b>	<b>739,406</b>	<b>2,620,766</b>	<b>3,142,689</b>	<b>6,502,861</b>		

Note:

- (1) Includes 895,291 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land use right grant contract.

## Management Discussion and Analysis

The following table sets out a summary of the Group's land reserves by types of properties as at June 30, 2021:

	Completed	Under Development	Future Development	Total Land Reserves	Of Total Land Reserves
	Saleable/ Rentable GFA Remaining Unsold (sq.m.)	GFA Under Development (sq.m.)	Planned GFA (sq.m.)	Total GFA (sq.m.)	(%)
Residential	391,304	1,791,729	3,128,669	5,311,702	62.2
Commercial properties for sale	72,420	524,153	369,968	966,541	11.3
Commercial properties held or intended to be held for investment	490,168	268,294	–	758,462	8.9
Hotel	53,656	72,948	5,327	131,931	1.5
Car parking spaces	63,409	365,252	117,974	546,635	6.4
Ancillary	23,035	192,166	261,639	476,840	5.6
Hospital	–	314,224	38,749	352,973	4.1
<b>Total</b>	<b>1,093,992</b>	<b>3,528,766</b>	<b>3,922,326</b>	<b>8,545,084<sup>(1)</sup></b>	<b>100</b>
<b>Total Attributable GFA</b>	<b>739,406</b>	<b>2,620,766</b>	<b>3,142,689</b>	<b>6,502,861</b>	

Note:

- (1) Includes 895,291 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land use right grant contract.

### Primary Land Development and Projects Developed under the “Urban Redevelopment” Policy

Apart from engaging in property development projects, the Group also actively undertakes primary land development projects as a strategic business in order to access potentially available land reserves. During the Reporting Period, the Group undertook primary land development, urban renewal and projects under the “Urban Redevelopment” policy in places including Beijing and Shenzhen.



### Urban Redevelopment Project in Beijing

Since September 2007, the Group has undertaken a primary land development project in Beijing, namely the West Qinian Street Project, which is located in the west side of Qinian Street and less than one kilometer from Tian'anmen Square with a planned GFA of approximately 474,304 sq.m., comprising five land parcels. As at June 30, 2021, the transfer of the Land No. 1 of the Qixi Project by agreement has been completed; currently, the demolition and relocation of the Land No. 4 has been completed and the relevant housing authority has confirmed its conclusion; the demolition and relocation of private properties on the Land No. 5 has been completed, and the remaining two enterprises and institutions are pending for demolition and relocation. At present, the remaining private properties, enterprises and institutions of Qixi Project to be demolished and relocated are mainly located on the Land No. 2 and the Land No. 3.

### Urban Redevelopment Project in Shenzhen

In the first half of 2014, Shenzhen Dachaoshan Construction Co., Ltd.\* (深圳市大潮汕建設有限公司), a subsidiary of the Group, entered into an urban renewal cooperation agreement with Shenzhen Longgang Xikeng Co., Ltd.\* (深圳市龍崗區西坑股份合作公司) to carry out the urban renewal project of the Xikeng community. The planned GFA of the project was about 3 million sq.m. The Group has completed the survey for the land ownership, residential population and building information in the Xikeng community, industry research, the urban renewal planning research program and consultation. The Phase I Project with a site area of 530,000 sq.m. and a planned GFA of approximately 1.4 million sq.m. had been approved by the meeting of Longgan District Government Leadership Group (龍崗區政府領導小組會) on December 14, 2018 and had completed the planning announcement in respect of the inclusion into the "2018 Longgan District Urban Renewal Plan – the Ninth Plan" (《二零一八龍崗區城市更新計劃第九批計劃》) on December 30, 2018. A further approval has been obtained from relevant governmental authorities on the project at the end of February 2019. The special planning report documents for the first renewal were filed on May 30, 2019. In March 2020, the National Development and Reform Commission approved the construction plan for Metro Line 16 (Dayun-Xikeng Section) (Phase II). Xikeng Station of Metro Line 16 (Phase II) is located within the scope of the first renewal unit. The special plan has been adjusted by the Group in consideration of Xikeng Station and is being submitted to the review authority for review. Meanwhile, in consideration of the demolition and resettlement work arrangement of the government for the metro, the Group has fully started the demolition and resettlement negotiation for the first renewal unit. Subsequent thereto, the establishment of other projects will be commenced.

## FINANCIAL REVIEW

### Revenue

For the six months ended June 30, 2021, the Group's revenue was RMB6,574.6 million, representing an increase of 97.9% from RMB3,322.4 million for the six months ended June 30, 2020.

Revenue from property development for the six months ended June 30, 2021 was RMB6,176.7 million, representing an increase of 111.9% as compared to the corresponding period of last year. The increase in revenue during the Reporting Period was primarily due to the increase in concentrated completion and delivery areas in the property development segment.

### Cost of Sales and Services

For the six months ended June 30, 2021, the Group's cost of sales and services was RMB5,526.7 million, representing an increase of 125.5% as compared to the corresponding period of last year. The increase in cost of sales and services during the Reporting Period was primarily due to the increase in concentrated completion and delivery areas in the property development segment.

The Group's cost of property development increased by 116.4% from RMB2,310.4 million for the six months ended June 30, 2020 to RMB4,999.7 million for the six months ended June 30 2021.

### Gross Profit

For the six months ended June 30, 2021, the Group's gross profit was RMB1,047.9 million, representing an increase of 20.3% as compared to the corresponding period of last year, which was primarily due to the increase in the revenue from properties delivered and carried forward during the Reporting Period as compared to the same period of last year.

## Management Discussion and Analysis

### Net Profit Attributable to Owners of the Company

For the six months ended June 30, 2021, the net profit attributable to owners of the Company was RMB266.5 million, representing an increase of 273.8% from RMB71.3 million for the six months ended June 30, 2020, which was primarily due to the increase in the revenue from properties delivered and carried forward during the Reporting Period as compared to the same period of last year.

### Changes in Fair Value Gains on Investment Properties

The fair value gains on investment properties at the Group's level decreased from RMB238.4 million for the six months ended June 30, 2020 to RMB94.6 million for the six months ended June 30, 2021, which was mainly due to the slowdown of the appreciation of investment properties affected by the novel coronavirus pandemic.

### Other Gains and Losses

Other losses were RMB43.7 million for the six months ended June 30, 2020, while other gains were RMB10.0 million for the six months ended June 30, 2021.

### Other Income

Other income decreased from RMB111.9 million for the six months ended June 30, 2020 to RMB77.2 million for the six months ended June 30, 2021, which was mainly due to the decrease in the recognised royalty income from associates and joint ventures.

### Selling Expenses

Selling expenses decreased by 21.9% from RMB128.3 million for the six months ended June 30, 2020 to RMB100.2 million for the six months ended June 30, 2021.

### Administrative Expenses

Administrative expenses decreased by 22.0% from RMB243.9 million for the six months ended June 30, 2020 to RMB190.2 million for the six months ended June 30, 2021.

### Finance Costs

Finance costs decreased by 58.0% from RMB220.5 million for the six months ended June 30, 2020 to RMB92.6 million for the six months ended June 30, 2021, which was primarily due to the decrease in interest-bearing debts of the Group as of the end of the Reporting Period.

### Income Tax Expenses

Income tax expenses increased by 59.9% from RMB284.0 million for the six months ended June 30, 2020 to RMB454.1 million for the six months ended June 30, 2021. The PRC corporate income tax and land appreciation tax of the Group for the six months ended June 30, 2021 were RMB210.3 million and RMB222.3 million, respectively.

### Total Comprehensive Income

As a result of the foregoing reasons, the Group's total comprehensive income increased from RMB281.0 million for the six months ended June 30, 2020 to RMB370.6 million for the six months ended June 30, 2021.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash Position

As at June 30, 2021, the Group's cash, restricted bank deposits and bank balances were approximately RMB2,218.3 million, representing an increase of 17.0% as compared to RMB1,896.1 million as at December 31, 2020.

### Net Operating Cash Flow

The Group recorded positive net operating cash flow in the amount of RMB2,938.7 million for the six months ended June 30, 2021, while we had recorded positive net operating cash flow of RMB2,427.9 million for the six months ended June 30, 2020.

### Net Gearing Ratio

The Group's net gearing ratio or net debt to equity ratio (being total interest-bearing debt less bank balances, cash and restricted cash divided by total equity and multiplied by 100%) was approximately 129% as at June 30, 2021, as compared to 143% as at December 31, 2020.

### Borrowings

As at June 30, 2021, the Group had outstanding borrowings of RMB22,117.8 million, consisting of bank borrowings of RMB16,973.3 million, other borrowings of RMB2,073.0 million, corporate bonds of RMB500.4 million and senior notes of RMB2,571.1 million.

As at June 30, 2021, the outstanding amount of the Group's other borrowings accounted for 9.4% of the balance of the Group's total outstanding borrowings.

### Charge over Assets

Some of the Group's borrowings are secured by properties under development for sale, properties held for sale, investment properties and prepaid lease payments as well as property, plant and equipment and restricted bank deposits, or combinations of the above. As at June 30, 2021, the assets pledged to secure certain borrowings granted to the Group amounted to RMB36,301.5 million.

### Financial Guarantees and Contingent Liabilities

In line with market practice, the Group has entered into arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct independent credit checks on its customers, but relies on credit checks conducted by relevant banks. As with other property developers in the PRC, the banks usually require the Group to guarantee its customers' obligation to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at June 30, 2021, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to RMB6,421.0 million.

Save as disclosed in this report, the Group had no other material contingent liabilities as at June 30, 2021.

### Capital and Other Commitments

As at June 30, 2021, the Group had certain contracted but not-provided-for commitments in connection with expenditure in respect of properties under development for sale. For details, please refer to note 22 to the Report on Review of Condensed Consolidated Financial Statements.

### FOREIGN EXCHANGE RISK

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. As at June 30, 2021, the balance of the Company's senior notes amounted to US\$379 million. As a result of the issuance of such senior notes, the Group would be subject to foreign currency risk arising from the exchange of Renminbi against U.S. dollars.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government. The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting suitable foreign currency hedging policy in the future.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to invest in its property development projects and acquire suitable land parcels in selected cities as it thinks fit. It is expected that internal resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed in this report, the Group did not have any future plans for material investments or capital assets as at the date of this report.

### EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2021, the Group had approximately 646 employees. For the six months ended June 30, 2021, the Group incurred employee costs of approximately RMB131.9 million. Remuneration for the employees generally includes salaries and performance bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medication, maternity, occupational injury and unemployment benefit plans.

### INTERIM DIVIDEND

The Board has decided not to pay any interim dividend to the Shareholders.

### ISSUANCE OF SENIOR NOTES

On January 26, 2021, the Company successfully issued US\$323,745,000 14.25% senior notes due 2024 on the Stock Exchange. Further details of the issuance of senior notes are disclosed in the announcements of the Company dated January 12, January 18, January 21, January 25 and January 26, 2021.

### PARTIAL REDEMPTION OF 13.5% SENIOR NOTES DUE 2022

On March 1, 2021, the Company completed the redemption of 13.5% senior notes due 2022 (the "2022 Notes") in cash, at a price of US\$159,591,000 equal to the aggregate principal of the 2022 Notes of US\$149,500,000 for which part of holders have exercised their redemption options plus accrued interest to the redemption options date. Upon the completion of the redemption, the remaining outstanding principal amount of the 2022 Notes was US\$4,900,000. Further details of the redemption of part of the 2022 Notes were disclosed in the announcement of the Company dated March 1, 2021.

# Disclosure of Interests

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2021, the interests or short positions of the Directors and the chief executive in the shares, and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under relevant provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

### (a) Interest in Shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of interest in the Company <sup>2</sup>
Zhang Zhangsun (“Chairman Zhang”) <sup>1</sup>	Interest of a controlled corporation	3,409,431,570	76.71%
Ruan Wenjuan	Interest of spouse	3,409,431,570	76.71%
Lin Yaoquan	Beneficial owner	23,453,000	0.53%
	Interest of spouse	1,173,500	0.03%

*Note 1:* Alltogether Land Company Limited (“Alltogether”) is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the Shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director of the Company, is the spouse of Chairman Zhang, Ms. Ruan Wenjuan is also deemed to be interested in the Shares held by Alltogether under the SFO.

*Note 2:* The percentage is based on the total number of issued shares of the Company of 4,444,417,986 as at June 30, 2021.

## Disclosure of Interests

### (b) Interest in shares of associated corporation

Name of Director	Nature of interest	Name of associated corporation	Approximate percentage of shareholding
Chairman Zhang	Beneficial owner	Alltogether	100%
Ruan Wenjuan	Interest of spouse	Alltogether	100%

### (c) Interest in debentures of the Company

US\$323,745,000 14.25% senior notes due 2024 ("2024 Senior Notes"):

Director	Nature of interest	Amount of debentures of the Company held	Approximate percentage of interest of 2024 Senior Notes as at June 30, 2021
Chairman Zhang <sup>(1)</sup>	Interest of a controlled corporation	US\$9,435,000	2.91% <sup>(2)</sup>
Ruan Wenjuan	Interest of spouse	US\$9,435,000	2.91% <sup>(2)</sup>

Notes:

<sup>(1)</sup> Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the debentures held by Alltogether

<sup>(2)</sup> Proportionate interests is calculated based on the principal amount in aggregate of 2024 Senior Notes.

All interests in the Shares of the Company and its associated corporations are long positions.

Save as disclosed above, as at June 30, 2021, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at June 30, 2021, the following persons had an interest or short position in shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% or more of the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

### Interest in Shares of the Company

Name of substantial Shareholder	Nature of interest	Number of shares	Approximate percentage of interest in the Company
Chairman Zhang <sup>(1)</sup>	Interest of a controlled corporation	3,409,431,570	76.71%
Ruan Wenjuan	Interest of spouse	3,409,431,570	76.71%
Alltogether	Beneficial owner	3,409,431,570	76.71%

Note (1): Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director of the Company, is the spouse of Chairman Zhang, Ms. Ruan Wenjuan is also deemed to be interested in the shares held by Alltogether under the SFO.

(2): All the above interests in the Shares of the Company are long positions.

Save as disclosed above, as at June 30, 2021, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

# Corporate Governance Practices and Other Information

## CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of the Shareholders. The Company has always recognized the importance of the Shareholders' transparency and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Under the current organization structure of the Company, Mr. Zhang Zhongsun (“**Chairman Zhang**”) is the chairman of the Board and the president of the Company. The roles of both chairman and president being performed by the same person deviates from the CG Code. Chairman Zhang has been overseeing the Group's strategic planning, development, operation and management since the Group was founded. The Company believes that the vesting of the roles of both chairman and president in Chairman Zhang is beneficial to the business operation of the Group and will not have negative influence on the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises five executive Directors and three independent non-executive Directors, and therefore has fairly strong independence in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the six months ended June 30, 2021. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the six months ended June 30, 2021.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this report, for the six months ended June 30, 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.



## SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on June 5, 2014 to recognize the contribution of certain of the Company's employees and officers, especially those whom the Company considered to have contributed to the early development and growth of the Group and to provide financial incentives to them to remain with the Group and strive for the future development and expansion of the Company. A summary of the principal terms and conditions of the Share Award Scheme is set out in Appendix VIII to the prospectus.

Pursuant to the Share Award Scheme, a total of four selected persons namely Mr. Lin Yaoquan (林耀泉), Mr. Wu Yilong (吳義隆), Ms. Zhang Miaoxiang (張妙香) and Ms. Zhang Chanjuan (張嬋娟) were awarded a total of 33,617,700 shares. On June 10, 2014, Alltogether transferred a total of 33,617,700 shares to TMF (Cayman) Ltd., a special purpose vehicle incorporated in the Cayman Islands, for the benefit of the Selected Persons.

No further shares have been awarded under the Share Award Scheme for the six months ended June 30, 2021.

Apart from Ms. Zhang Chanjuan, the other selected persons disclosed above are connected persons of the Group as defined in the Listing Rules.

## PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on June 5, 2014 to enable the Company to encourage certain key employees to contribute to the Group for the long-term benefits of the Company and its Shareholders as a whole and provide the Group with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to its key employees.

The total number of shares which may be issued upon the exercise of all options granted on or before June 16, 2014 to 54 grantees under the Pre-IPO Share Option Scheme is 67,076,800, representing approximately 1.51% of the issued share capital of the Company as at June 30, 2021. Save for the options which have been granted on or before June 16, 2014, no further options has been granted under the Pre-IPO Share Option Scheme on or after the Listing Date (i.e. July 7, 2014) and the terms which govern such further grant of options are accordingly removed. The exercise price for any option granted under the Pre-IPO Share Option Scheme shall be 60% of HK\$2.38. The share options granted had been vested in three equal tranches on the first, second and third anniversary of the Listing Date (i.e. July 7, 2014), respectively. All share options will be expired after 7 years since the grant date. The validity period of the Pre-IPO Share Option Scheme is 10 years from the adoption date of such scheme by the Shareholders on June 5, 2014.

As at June 15, 2021, all options granted under the Pre-IPO Share Option Scheme were automatically lapsed upon expiry. As at the date of this report, there were no other options granted under the Pre-IPO Share Option Scheme which had not been exercised.

Further details of the Pre-IPO Share Option Scheme are set out in note 25 to the condensed consolidated financial statements.

### POST-IPO SHARE OPTION SCHEME

The Company adopted the Post-IPO Share Option Scheme on June 5, 2014 to enable the Company to grant options to any Director (including the independent non-executive Directors), full-time employee and consultant of the Group or any other eligible person who, in the Board's sole discretion, has contributed or will contribute to the Group (the "**Eligible Participants**") and provide the Group with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants. The purpose of the Post-IPO Share Option Scheme is to encourage the Eligible Participants to contribute to the Group for the long-term benefits of the Company and its Shareholders as a whole.

The total number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme or any other share option scheme adopted by the Company (including the Pre-IPO Share Option Scheme) shall not, in aggregate, exceed 10% of the total number of shares in issue when the Post-IPO Share Option Scheme was adopted, unless with the prior approval from the Company's Shareholders. The maximum number of shares in respect of which options may be granted under the Post-IPO Share Option Scheme to each Eligible Participant in any 12-month period up to the date of the grant shall not exceed 1% of shares in issue, unless with the prior approval from the Company's Shareholders. Options granted to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors. Where any option granted to a substantial Shareholder or an independent non-executive Director of our Company, or any of their respective associates, which would result in the shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12-month period, (i) representing in aggregate over 0.1% of the shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares, in excess of HK\$5 million, such grant of options shall be subject to the issue of a circular by the Company and prior approval of the Shareholders in the general meeting on a poll at which all connected persons of the Company shall abstain from voting in favor. An offer of the grant of an option under the Post-IPO Share Option Scheme shall remain open for acceptance for 28 days from the date of grant. Upon acceptance of such grant, the grantee shall pay HK\$1.00 (or such other sum in any currency as the Board may determine) to the Company as consideration. Options may be exercised in accordance with the terms of the Post-IPO Share Option Scheme and the terms of grant thereof at any time during the applicable option period, which is no more than ten years from the date of grant of option. The subscription price shall be determined by the Board, at its sole discretion, and in any event shall be no less than the highest of (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of the shares. The validity period of the Post-IPO Share Option Scheme will be 10 years from the adoption date of such scheme by the Shareholders on June 5, 2014.

Pursuant to the Post-IPO Share Option Scheme, the Company offered to certain Eligible Participants options to subscribe for an aggregate of 98,000,000 shares (representing approximately 2.21% of the issued share capital of the Company) in two tranches, all of which have lapsed as at June 30, 2021. As at June 30, 2021, there were no outstanding options granted under the Post-IPO Share Option Scheme by the Company.

The total number of shares available for issue under the Share Option Scheme is 424,661,712, representing 9.55% of the total number of shares in issue of the Company as at the date of this interim report.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company satisfied the minimum percentage as prescribed in the waiver granted by the Stock Exchange from strict compliance with Rule 8.08 of the Listing Rules.

### SUBSEQUENT EVENT – CHANGE OF AUDITORS

The terms of office of Deloitte Touche Tohmatsu as the auditors of the Company for the year 2020 expired at the conclusion of the annual general meeting convened on June 30, 2021. Moore Stephens CPA Limited was appointed as the auditor of the Company with the approval by Shareholders at the extraordinary general meeting held on July 30, 2021. Further details regarding the change of auditors were disclosed in the announcements issued by the Company on July 13, July 30, and June 17, 2021.

Save as disclosed in this report, there is no material post balance sheet event undertaken by the Group after June 30, 2021 up to the date of this report.

### AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru. The Audit Committee is chaired by Mr. Luo Zhenbang.

The Audit Committee has reviewed with the management, the accounting principles and policies adopted by the Company, as well as laws and regulations, and discussed internal control and financial reporting matters (including the review of the interim results for the six months ended June 30, 2021) of the Group. The Audit Committee considered that the interim results for the six months ended June 30, 2021 are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

### INTERNAL CONTROL

The Company has set up an internal control committee, which reports to the Board on a quarterly basis, to review and discuss the solutions to regulatory, compliance and internal control related matters on an on-going basis.

# Independent Practitioner's Review Report

## TO THE BOARD OF DIRECTORS OF GUORUI PROPERTIES LIMITED

(INCORPORATED UNDER THE NAME OF "GLORY LAND COMPANY LIMITED (國瑞置業有限公司)" IN THE CAYMAN ISLANDS AND CARRYING ON BUSINESS IN HONG KONG AS "GUORUI PROPERTIES LIMITED")

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Guorui Properties Limited (incorporated under the name of "Glory Land Company Limited (國瑞置業有限公司)" in the Cayman Islands and carrying on business in Hong Kong as "Guorui Properties Limited") (the "**Company**") and its subsidiaries set out on pages 95 to 135, which comprise the condensed consolidated statement of financial position as of June 30, 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "**Interim Financial Information**").

## DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL INFORMATION

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this Interim Financial Statements in accordance with IAS 34, and for such internal control as directors of the Company determines is necessary to enable the preparation of Interim Financial Information that is free from material misstatement, whether due to fraud or error.

## PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on this Interim Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) "Engagements to Review Historical Financial Statements" ("**HKSRE 2400 (Revised)**") issued by the Hong Kong Institute of Certified Public Accountants. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Financial Information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of Interim Financial Information in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on this Interim Financial Information.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that this Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

## OTHER MATTER

The consolidated financial statements of the Group for the year ended December 31, 2020 that contain the consolidated statement of financial position as of December 31, 2020 were audited by another auditor who expressed an unmodified opinion on April 11, 2021. The condensed consolidated financial statements for the six months ended June 30, 2020 that contain the condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period ended June 30, 2020 were reviewed by another auditor who expressed an unmodified conclusion on those statements on August 31, 2020.

### **Moore Stephens CPA Limited**

*Certified Public Accountants*

### **Li Wing Yin**

Practising Certificate Number: P05035

Hong Kong

August 31, 2021

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2021

	Notes	Six months ended June 30,	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Revenue</b>			
Contract with customers		6,319,675	3,043,548
Leases – rental income		254,878	278,817
<b>Total revenue</b>	3	<b>6,574,553</b>	3,322,365
Cost of sales and services		(5,526,682)	(2,450,965)
Gross profit		<b>1,047,871</b>	871,400
Other gains and (losses)	5	<b>10,003</b>	(43,687)
Other income	5	<b>77,213</b>	111,855
Change in fair value of investment properties	11	<b>94,620</b>	238,363
Impairment losses under expected credit loss model, net		<b>(2,694)</b>	(5,178)
Distribution and selling expenses		<b>(100,204)</b>	(128,337)
Administrative expenses		<b>(190,150)</b>	(243,894)
Other expenses		<b>(10,016)</b>	(5,666)
Share of losses of associates		<b>(4,437)</b>	(1,247)
Share of losses of joint ventures		<b>(4,909)</b>	(8,088)
Finance costs	6	<b>(92,622)</b>	(220,466)
Profit before tax		<b>824,675</b>	565,055
Income tax expense	7	<b>(454,112)</b>	(284,032)
Profit and other comprehensive income for the period	8	<b>370,563</b>	281,023
Total comprehensive income for the period attributable to:			
Owners of the Company		<b>266,546</b>	71,306
Non-controlling interests		<b>104,017</b>	209,717
		<b>370,563</b>	281,023
<b>EARNINGS PER SHARE</b>			
– Basic and diluted (RMB cents)	9	<b>6.0</b>	1.6

# Condensed Consolidated Statement of Financial Position

As at June 30, 2021

	<i>Note</i>	<b>As at June 30, 2021 RMB'000 (Unaudited)</b>	<b>As at December 31, 2020 RMB'000 (Audited)</b>
<b>Non-current assets</b>			
Investment properties	11	20,598,800	20,375,500
Property, plant and equipment	12	2,296,269	2,146,902
Right-of-use assets	12	265,730	270,581
Other non-current assets		1,338,208	1,302,897
Interests in joint ventures		23,165	28,074
Interests in associates		–	–
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	13	31,300	31,300
Deferred tax assets		281,764	321,149
Restricted bank deposits		121,239	3,592
Value added tax and tax recoverable		600,578	1,229,807
		<b>25,557,053</b>	25,709,802
<b>Current assets</b>			
Inventories		1,417	1,106
Deposits paid for land acquisition		400,889	400,889
Properties under development for sale		23,957,850	28,157,258
Properties held for sale		4,362,987	3,972,620
Trade and other receivables, deposits and prepayments	14	2,078,227	2,085,715
Contract assets	15	1,732,078	1,646,159
Contract cost		104,480	101,026
Value added tax and tax recoverable		889,532	832,285
Amounts due from related parties	26(b)	3,427,592	2,556,867
Restricted bank deposits		414,660	307,606
Bank balances and cash		1,682,412	1,584,950
		<b>39,052,124</b>	41,646,481
Total assets classified as held for sale	16	<b>158,940</b>	158,940
		<b>39,211,064</b>	41,805,421

## Condensed Consolidated Statement of Financial Position

As at June 30, 2021

	<i>Notes</i>	<b>As at June 30, 2021 RMB'000 (Unaudited)</b>	As at December 31, 2020 RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and other payables	17	4,498,774	4,982,510
Lease liabilities		1,734	1,734
Contract liability		10,182,727	12,662,331
Amounts due to related parties	26(c)	7,143,025	5,815,404
Tax payable		2,592,313	2,597,866
Bank and trust borrowings	18	2,786,100	3,786,075
Corporate bonds	19	500,414	510,829
Senior notes	20	2,571,129	3,755,745
		<b>30,276,216</b>	34,112,494
<b>Net current assets</b>		<b>8,934,848</b>	7,692,927
<b>Total assets less current liabilities</b>		<b>34,491,901</b>	33,402,729
<b>Non-current liabilities</b>			
Rental deposits received	17	78,671	135,942
Lease liabilities		678	1,475
Bank and trust borrowings	18	16,260,212	15,465,905
Deferred tax liabilities		2,673,250	2,690,880
		<b>19,012,811</b>	18,294,202
<b>Net assets</b>		<b>15,479,090</b>	15,108,527
<b>Capital and reserves</b>			
Share capital		3,520	3,520
Reserves		12,756,044	12,489,498
Equity attributable to owners of the Company		12,759,564	12,493,018
Non-controlling interests		2,719,526	2,615,509
<b>Total equity</b>		<b>15,479,090</b>	15,108,527



# Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2021

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Revaluation reserve RMB'000	FVTOCI reserve RMB'000	Other reserve RMB'000 (note)	Share-based payment reserve RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2021 (Audited)	3,520	8,027	133,379	194,970	4,554	194,725	35,740	1,314,953	10,603,150	12,493,018	2,615,509	15,108,527
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	266,546	266,546	104,017	370,563
Share option expired (Note 25)	-	-	-	-	-	-	(35,740)	-	35,740	-	-	-
As at June 30, 2021 (Unaudited)	3,520	8,027	133,379	194,970	4,554	194,725	-	1,314,953	10,905,436	12,759,564	2,719,526	15,479,090
As at January 1, 2020 (Audited)	3,520	8,027	133,379	194,970	5,305	194,725	35,740	1,314,953	10,654,410	12,545,029	6,083,501	18,628,530
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	71,306	71,306	209,717	281,023
Dividend declared to shareholders of the Company (note 10)	-	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,027)	(27,027)
As at June 30, 2020 (Unaudited)	3,520	8,027	133,379	194,970	5,305	194,725	35,740	1,314,953	10,575,716	12,466,335	6,266,191	18,732,526

Note:

Other reserve mainly represents the differences between the amount by which non-controlling interests are adjusted and the fair value of consideration paid or received when the Group (as defined in note 1) acquired or disposed of partial interests in existing subsidiaries and deemed capital contributions from non-controlling interests and a related party.

# Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2021

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Net cash from operating activities</b>	<b>2,487,872</b>	1,832,493
<b>Investing activities</b>		
Placement of restricted bank deposits	(245,670)	(148,221)
Withdrawal of restricted bank deposits	20,969	128,767
Purchase of property, plant and equipment and intangible assets	(245,118)	(98,246)
Proceeds from disposal of property, plant and equipment	2,983	88
Prepaid for acquisition of a subsidiary	-	(41,150)
Deposits received from disposal of a subsidiary	-	100,000
Interest received	24,024	29,766
Payments for construction of investment properties	(129,806)	(134,003)
Repayments from related parties	896,671	1,528,771
Advances to related parties	(1,773,817)	(2,342,156)
<b>Net cash used in investing activities</b>	<b>(1,449,764)</b>	(976,384)

## Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2021

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Financing activities</b>		
New bank loans raised	1,680,864	6,037,100
New trust loans raised	640,000	500,000
New borrowings from financial institutions	202,470	1,800,500
Repayments of bank loans	(791,234)	(2,358,201)
Repayments of trust loans	(386,280)	(4,600,000)
Repayments of borrowings from financial institutions	(1,551,488)	(245,411)
Repayment of senior notes	(1,509,616)	(851,347)
New senior note raised	325,000	–
Payments of financing deposits	–	(6,904)
Withdrawal of financing deposits	–	256,884
Repayments of leases liabilities	(797)	(903)
Interest paid	(877,186)	(516,366)
Repayments to related parties	(1,661,052)	(3,166,358)
Advances from related parties	2,988,673	3,614,363
<b>Net cash used in financing activities</b>	<b>(940,646)</b>	463,357
<b>Net increase in cash and cash equivalents</b>	<b>97,462</b>	1,319,466
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,584,950</b>	536,926
<b>Cash and cash equivalents at the end of the period, represented by bank balances and cash</b>	<b>1,682,412</b>	1,856,392

# Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

## 1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated under the name of “Glory Land Company Limited (國瑞置業有限公司)” in the Cayman Islands and carrying on business in Hong Kong as “Guorui Properties Limited” as an exempted company with limited liability under the Company Laws (2012 Revision) of the Cayman Islands on July 16, 2012. Its parent and ultimate holding company is Alltogether Land Company Limited (通和置業有限公司) (“**Alltogether Land**”), a company incorporated in the British Virgin Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at East Block, Hademen Plaza, 8-1#Chongwenmenwai Street, Dongcheng District, Beijing, the PRC.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company and its subsidiaries (collectively referred to the “**Group**”) are principally engaged in the business of property development, provision of primary land construction and development services, property investment, and provision of property management and related services.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the “**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values, as appropriate.

Other than application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2021 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2020.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the amendments to IFRSs issued by the IASB for the first time, which are mandatory effective for the annual period beginning on or after January 1, 2021 for the preparation of the Group’s condensed consolidated financial statements.

The application of the amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 3. REVENUE

**Disaggregation of revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information**

	For the six months ended June 30, 2021				
	Property development RMB'000 (Unaudited)	Primary land construction and development services RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property management and related services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Timing of revenue recognition</b>					
At a point in time	6,176,650	–	–	–	6,176,650
Over time	–	131,651	–	11,374	143,025
Revenue from contracts with customers	6,176,650	131,651	–	11,374	6,319,675
Leases – rental income	–	–	254,878	–	254,878
<b>Total revenue</b>	<b>6,176,650</b>	<b>131,651</b>	<b>254,878</b>	<b>11,374</b>	<b>6,574,553</b>

	For the six months ended June 30, 2020				
	Property development RMB'000 (Unaudited)	Primary land construction and development services RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property management and related services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Timing of revenue recognition</b>					
At a point in time	2,915,435	–	–	–	2,915,435
Over time	–	116,418	–	11,695	128,113
Revenue from contracts with customers	2,915,435	116,418	–	11,695	3,043,548
Leases – rental income	–	–	278,817	–	278,817
<b>Total revenue</b>	<b>2,915,435</b>	<b>116,418</b>	<b>278,817</b>	<b>11,695</b>	<b>3,322,365</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 4. SEGMENT INFORMATION

The Group is organised into business units based on their types of activities. These business units are the basis of information that is prepared and reported to the Group's chief operating decision maker (i.e. the executive directors of the Company) for the purposes of resource allocation and assessment of performance. The Group's operating segments under IFRS 8 *Operating Segments* are identified as the following four business units:

Property development: This segment develops and sells commercial and residential properties.

Primary land construction and development services: This segment derives revenue from primary land development, including services for resettlement, construction of land infrastructure and ancillary public facilities on land owned by the local governments.

Property investment: This segment derives rental income from investment properties.

Property management and related services: This segment derives income from property management and related services.

#### Segment revenue and results

The following is the analysis of the Group's revenue and results by reportable and operating segment.

	Property development RMB'000 (Unaudited)	Primary land construction and development services RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property management and related services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Six months ended June 30, 2021</b>					
Revenue from external customers and segment revenue	6,176,650	131,651	254,878	11,374	6,574,553
Segment profit	657,714	2,606	152,279	3,122	815,721
<b>Six months ended June 30, 2020</b>					
Revenue from external customers and segment revenue	2,915,435	116,418	278,817	11,695	3,322,365
Segment profit	358,419	2,218	168,294	3,243	532,174

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 4. SEGMENT INFORMATION (Continued)

#### Segment revenue and results (Continued)

The segment profits can be reconciled to the profit before tax as follows:

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Segment profit	815,721	532,174
Other gains and (losses)	10,003	(43,687)
Other income	77,213	111,855
Change in fair value of investment properties	94,620	238,363
Unallocated administrative expenses	(60,898)	(38,183)
Other expenses	(10,016)	(5,666)
Share of losses of associates	(4,437)	(1,247)
Share of losses of joint ventures	(4,909)	(8,088)
Finance costs	(92,622)	(220,466)
Profit before tax	824,675	565,055

The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other gains and losses, other income, change in fair value of investment properties, other expenses, share of losses of joint ventures, share of losses of associates, finance costs and unallocated administrative expenses, including auditor's remuneration and directors' emoluments etc.. This is the measure reported to the Group's chief operating decision maker for the purpose of resources allocation and performance assessment.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 4. SEGMENT INFORMATION (Continued)

#### Other segment information

Amounts included in the measurement of segment profit:

	Property development	Primary land construction and development service	Property investment	Property management and related services	Unallocated amount	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Six months ended June 30, 2021</b>						
Depreciation and amortisation	(8,336)	-	(1,579)	(4,091)	(16,219)	(30,225)
Depreciation of right-of-use assets	-	-	-	-	(4,851)	(4,851)
Impairment losses under expected credit loss model	(2,694)	-	-	-	-	(2,694)
<b>Six months ended June 30, 2020</b>						
Depreciation and amortisation	(11,012)	-	(2,086)	(5,404)	(19,930)	(38,432)
Depreciation of right-of-use assets	(701)	-	(24)	(13)	(2,964)	(3,702)
Impairment losses under expected credit loss model	(5,178)	-	-	-	-	(5,178)

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purpose of resources allocation and performance assessment.

#### Geographical information

All the revenue and operating results of the Group is derived from the PRC based on location of the operations. All the Group's non-current assets (excluding financial instruments and deferred tax assets) are located in the PRC based on geographical location of the assets or the associates' and joint ventures' operation, as appropriate.

#### Revenue from major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue during the six months ended June 30, 2021 and 2020.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 5. OTHER INCOME, GAINS AND LOSSES

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Other income</b>		
Interest income	72,074	67,099
Compensation received	–	3,330
Royalty fee income	3,868	29,430
Others	1,271	11,996
	<b>77,213</b>	111,855
<b>Other gains and (losses)</b>		
Net foreign exchange gains/(losses)	6,001	(32,164)
Losses on disposal of entrusted financial products	–	(170)
Gains/(losses) on disposal of property, plant and equipment	3,083	(51)
Impairment loss of properties under development for sale	–	(11,302)
Other gains	919	–
	<b>10,003</b>	(43,687)

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 6. FINANCE COSTS

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest on bank borrowings	522,444	757,920
Interest on trust borrowings	33,395	82,113
Interest on loans from financial institutions	154,056	78,146
Interest on corporate bonds	26,500	22,936
Interest on senior notes	197,603	393,161
Interest on contract liabilities	384,459	595,424
Interest on lease liabilities	77	170
Total	1,318,534	1,929,870
Less: Amounts capitalised in the cost of qualifying assets	(1,225,912)	(1,709,404)
	92,622	220,466

Interests capitalised arose from borrowings made specifically for the purpose of construction of the qualifying assets, which bore annual interest at rates from 4.75% to 13% (six months ended June 30, 2020: 4.75% to 13.65%) and general borrowings pool calculated by applying a capitalisation rate of 9.34% (six months ended June 30, 2020: 10.83%) per annum.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current tax		
PRC Enterprise Income Tax	210,030	276,084
Under provision in prior years	–	81
Land appreciation tax (“LAT”)	222,327	194,365
	432,357	470,530
Deferred tax	21,755	(186,498)
Income tax expense	454,112	284,032

Pursuant to the PRC Enterprise Income Tax Law promulgated on March 16, 2007, the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the income tax rate of 25% effective from January 1, 2008 onwards. The PRC enterprise income tax has been calculated on the estimated assessable profit derived from the PRC at the rate of 25% for both periods.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting) the following items:

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Directors' remunerations		
– Salaries and other benefits	7,394	7,187
– Retirement benefit contributions	17	25
Other staff costs		
– Salaries and other benefits	116,949	162,416
– Retirement benefit contributions	7,500	3,013
Total staff costs	131,860	172,641
Less: Amounts capitalised to properties under development	(34,964)	(84,083)
	96,896	88,558
Cost of properties sold recognised as expense	4,999,705	2,310,409
Interest income	(72,074)	(67,099)
Depreciation of property, plant and equipment	29,092	36,944
Depreciation of right-of-use assets	4,851	3,702
Amortisation of intangible assets (included under other non-current assets)	1,133	1,488
Rental income from investment properties	(254,878)	(278,817)
Less: Direct operating expenses	102,599	110,523
	(152,279)	(168,294)

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	266,546	71,306

	Six months ended June 30,	
	2021 '000	2020 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,444,418	4,444,418
Effect of dilutive potential ordinary shares:		
Share options (Note)	–	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,444,418	4,444,418

Note: The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the six months ended June 30, 2021 and 2020.

### 10. DIVIDENDS

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the reporting period:		
2021: Nil (2020: 2019 Final dividend HK3.76 cents) per share	–	150,000

During the interim period for the six-month ended June 30, 2020, a final dividend of HK3.76 cents per share in respect of the year ended December 31, 2019 was declared to owners of the Company. No dividends were paid during the current interim period (2020: HK\$88,609,000, equivalent to RMB79,537,000).

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

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 11. INVESTMENT PROPERTIES

	Completed investment properties <i>RMB'000</i>	Investment properties under development <i>RMB'000</i>	Total <i>RMB'000</i>
As at January 1, 2020	17,556,000	3,594,000	21,150,000
Additions	–	468,509	468,509
Net increase in fair value recognised in profit or loss	50,672	264,366	315,038
Transfer from properties held for sale	42,768	–	42,768
Disposal of subsidiaries	(591,000)	(850,875)	(1,441,875)
Assets classified as held for sales	(158,940)	–	(158,940)
As at December 31, 2020 and January 1, 2021 (Audited)	16,899,500	3,476,000	20,375,500
Additions	–	129,806	129,806
Net increase in fair value recognised in profit or loss	55,426	39,194	94,620
Transfer to properties held for sale	(1,126)	–	(1,126)
<b>As at June 30, 2021 (Unaudited)</b>	<b>16,953,800</b>	<b>3,645,000</b>	<b>20,598,800</b>

The investment properties are all situated in the PRC. The fair value of the Group's investment properties, including the Group's property interests held under operating leases classified and accounted for as investment properties, as at June 30, 2021 and December 31, 2020 have been arrived at on the basis of valuations carried out on those dates by Colliers International (Hong Kong) Ltd ("**Colliers**"), a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuations of completed investment properties are arrived at with adoption of direct comparison approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market and also consider income approach by undertaking an estimation of future cash flows and taking into account the time value of money. The income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

Fair values of the investment properties under development are generally derived using the residual method. This valuation method is essentially a means of valuing the land and building by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed in accordance with the existing development plans as at the date of valuation, which duly reflected the risks associated with the development.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of the Group's investment properties at June 30, 2021 and December 31, 2020 are grouped into Level 3 of fair value measurement. There were no transfers into or out of Level 3 during the periods presented.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended June 30, 2021, additions to property, plant and equipment amounted to RMB208,674,000 (six months ended June 30, 2020: RMB171,836,000), consisted of construction in progress and electronic equipment and furniture.

During the current interim period, there is no new lease agreement was entered into.

### 13. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Unlisted investments: – Equity securities (Note)	31,300	31,300

Note: The above unlisted equity securities represent the Group's equity interest in private entities: (1) 0.15% (2020: 0.15%) equity interest in Bohai Life Ltd. 渤海人壽保險股份有限公司 (“**Bohai Life Limited**”), a private entity established in the PRC which is principally engaged in insurance business, with a carrying amount of RMB26,300,000 (December 31, 2020: 26,300,000), and (2) 10% (2020: 10%) equity interest in Yongqing Jiyin Rural Bank Co., Ltd. 永清吉銀村鎮銀行股份有限公司 (“**Yongqing Jiyin Rural Bank**”), a private entity established in the PRC which is principally engaged in banking operation, with a carrying amount of RMB5,000,000 (December 31, 2020: 5,000,000).

The Group's investment in unlisted investments were measured at fair value, are grouped into Level 3 of fair value measurement.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly comprise of rental receivables and receivables for sales of properties.

Pursuant to the lease agreements, rental payment is generally required to be settled in advance with no credit period being granted to the tenants. In respect of sale of properties, a credit period of six to twelve months may be granted to specific customers on a case-by-case basis.

	<b>As at June 30, 2021 RMB'000 (Unaudited)</b>	As at December 31, 2020 RMB'000 (Audited)
Trade receivables		
– Contracts with customers	<b>584,356</b>	364,953
– Lease receivables	<b>208,299</b>	246,645
	<b>792,655</b>	611,598
Less: Allowance for credit losses	<b>(6,351)</b>	(4,812)
Trade receivables, net	<b>786,304</b>	606,786
Advances to contractors and suppliers	<b>585,189</b>	650,415
Performance guarantee deposit paid	<b>13,960</b>	17,260
Other receivables and prepayment (Note)	<b>717,430</b>	796,279
Deposits	<b>17,718</b>	60,306
	<b>1,334,297</b>	1,524,260
Less: Allowance for credit losses	<b>(42,374)</b>	(45,331)
Other receivables	<b>1,291,923</b>	1,478,929
Total trade and other receivables, deposits and prepayments	<b>2,078,227</b>	2,085,715

Note: Other receivables including amount due from independent third parties are of non-trade nature, unsecured, interest-free and repayable on demand. As at December 31, 2020, balance due from independent third parties with carrying amount of approximately RMB240,000,000 were bearing interest at 10% per annum and under legal proceedings.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The following is an analysis of trade receivables, presented based on the date of recognition of revenue:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
0 to 60 days	136,416	89,240
61 to 180 days	196,870	53,934
181 to 365 days	88,999	57,851
1 to 2 years	131,748	316,469
Over 2 years	238,622	94,104
	<b>792,655</b>	611,598

As at June 30, 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB155,677,000 (December 31, 2020: RMB284,715,000) which are past due as at the reporting date. The balances which has been past due over 90 days is not considered as default since the Directors considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

### 15. CONTRACT ASSETS

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Construction and development services	1,714,154	1,610,957
Property sales	17,924	35,202
	<b>1,732,078</b>	1,646,159

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

All contract assets are to be settled upon fulfillment of contract terms and the directors expected able to complete in short period of time, and are classified as current.

### 16. ASSETS CLASSIFIED AS HELD FOR SALE

In December 2020, the Group entered into the sales and purchase agreements with an independent third-party for the disposal of investments properties for a total consideration of approximately RMB158,940,000, of which deposits of approximately RMB150,993,000 were received as at the end of the reporting period and included in trade and other payables.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 17. TRADE AND OTHER PAYABLES

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Trade payables	2,319,413	2,853,478
Deposits received	212,744	366,717
Rental received in advance	53,775	74,909
Refund liabilities	224,468	235,341
Accrued payroll	29,738	23,357
Value added tax and other tax payables	787,076	439,288
Other payables and accruals	814,731	985,862
Dividends to non-controlling interests	135,500	139,500
	<b>4,577,445</b>	5,118,452
Analysed for reporting purposes as:		
Non-current (Note)	78,671	135,942
Current	4,498,774	4,982,510
	<b>4,577,445</b>	5,118,452

Trade payables comprise of construction costs payable and other project-related expenses payable. The average credit period of trade payable is approximately 180 days.

Note: Pursuant to the relevant rental agreements, rental deposits of approximately RMB78,671,000 as at June 30, 2021 (December 31, 2020: RMB135,942,000) are to be settled after twelve months from the end of the reporting period and is therefore classified as non-current liability.

The following is an analysis of trade payables by age, presented based on the billing date:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
0 to 60 days	995,389	1,717,265
61 to 365 days	861,441	505,422
1 to 2 years	224,313	383,478
Over 2 years	238,270	247,313
	<b>2,319,413</b>	2,853,478

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 18. BANK AND TRUST BORROWINGS

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Bank borrowings, secured	16,973,292	16,083,662
Trust borrowings, secured	640,000	386,280
Loans from financial institutions, secured	1,433,020	2,782,038
	<b>19,046,312</b>	19,251,980
Less: Amount due within one year shown under current liabilities	<b>(2,786,100)</b>	(3,786,075)
Amount due after one year	<b>16,260,212</b>	15,465,905

As at June 30, 2021, the borrowings with carrying amount of approximately RMB5,557,696,000 (December 31, 2020: RMB6,175,218,000) carry interest at variable rates quoted by the People's Bank of China, the effective interest rate ranges from 4.75% to 10.00% (December 31, 2020: 4.75% to 10.00%) per annum. The remaining borrowings are arranged at fixed rates, ranging from 4.75% to 13.00% (December 31, 2020: 4.75% to 13.65%) per annum as at June 30, 2021.

### 19. CORPORATE BONDS

#### Corporate bonds issued in 2016 ("2016 Corporate Bonds")

On September 22, 2016, Shantou Garden Group Co., Ltd. ("**Garden Group**") has issued its first tranche of domestic corporate bonds through non-public offering in the PRC ("**First Tranche Non-public Issue**") with a principal amount of RMB1,000,000,000, bearing interest at the coupon rate of 5.3% per annum, payable annually, and has a term of 5 years. The 2016 Corporate Bonds are secured by certain investment properties of the Group with the carrying amounts of RMB803,000,000 (December 31, 2020: RMB803,000,000).

According to the terms and conditions of the 2016 Corporate Bonds, Garden Group has the right to adjust the coupon rate for the fourth and fifth year at the end of the third year, by giving a 30-day notice to the bondholder before September 21, 2019. At the same time, the bondholder may at its option require Garden Group to redeem the bond at a redemption price equal to 100% of the principal plus accrued interest to such redemption date. The remaining bond will be subject to the adjusted interest rate until the maturity date. The effective interest rate of the 2016 Corporate Bonds is approximately 5.47% per annum after the adjustment for transaction costs.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 19. CORPORATE BONDS (Continued)

#### Corporate bonds issued in 2016 (“2016 Corporate Bonds”) (Continued)

In 2019, Garden Group has adjusted the coupon rate from 5.30% to 8.50% for the fourth and fifth year at the end of the third year. The 2016 Corporate Bonds with principal amounting to RMB500,000,000 was redeemed by Garden Group and sold to Shantou Glory Management Co., Ltd. 汕頭企業管理有限公司 (“**Shantou Glory**”), a wholly owned subsidiary of the Company. The maturity date of the remaining 2016 Corporate Bond of RMB500,000,000 is September 22, 2021.

For the purpose of presentation in the condensed consolidated statement of financial position, the 2016 Corporate Bonds held by Shantou Glory have been offset. The following is the analysis of the 2016 Corporate Bonds in issues as at the end of the reporting period:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Carrying amounts	1,000,414	1,010,829
Less: Amount held by Shantou Glory	(500,000)	(500,000)
	500,414	510,829
Less: Amount due within one year shown under current liabilities	(500,414)	(510,829)
Amount due after one year	—	—

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 20. SENIOR NOTES

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
2019 Senior Notes (Note (a))	31,850	3,105,709
2019 Private Placement Notes (Note (b))	–	650,036
2021 Senior Notes (Note (c))	2,214,279	–
2021 Private Placement Notes (Note (d))	325,000	–
	<b>2,571,129</b>	3,755,745
Less: Amount due within one year shown under current liabilities	<b>(2,571,129)</b>	(3,755,745)
Amount due after one year	–	–

Notes:

**(a) 2019 Senior Notes**

On February 27, 2019, the Company issued senior notes with an aggregate nominal value of USD160,000,000 (“**2019 Original Notes**”) at 97.0% of the principal amount of the 2019 Original Notes. The 2019 Original Notes bearing interest at 13.50% per annum, payable semi-annually in arrears from August 28, 2019, will mature on February 28, 2022. The effective interest rate is approximately 15.74% per annum after the adjustment for transaction costs. The 2019 Original Notes are listed on the Stock Exchange of Hong Kong Limited.

On March 15, 2019, the Company issued senior notes with an aggregate nominal value of USD295,000,000 (“**2019 Additional Notes**”) at 97.0% of the principal amount of the 2019 Additional Notes plus accrued interest from February 27, 2019 to March 14, 2019. The 2019 Additional Notes is to be consolidated and form a single series with the 2019 Original Notes (collectively referred to as the “**2019 Senior Notes**”). The principal terms of the 2019 Additional Notes are identical to the terms of the 2019 Original Notes, other than the aggregated principal amount and offer price. The effective interest rate is approximately 15.53% per annum after the adjustment for transaction costs.

On January 12, 2021, the Company commenced the exchange offer for the minimum acceptance amount of the outstanding 2019 Senior Notes and the consent solicitation from eligible holders to the amendments to the indenture governing the 2019 Senior Notes (“**Exchange Offer**”). The Exchange Offer and consent solicitation are being made upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum. On January 20, 2021, holders of US\$300,600,000 of the 2019 Senior Notes, representing approximately 66.80% of the total aggregate principal amount of the outstanding 2019 Senior Notes, have been validly tendered for exchange (and deemed to have given Consents to the proposed amendments) and accepted pursuant to the Exchange Offer and consent solicitation.

On January 25, 2021, the Company completed the exchange offering of USD300,600,000 of the 2019 Senior Notes (“**Exchange Notes**”) with USD323,745,000 of new issue of senior notes due January 25, 2024 (the “**2021 Senior Notes**”) which bearing interest at 14.25% per annum (detailed in note (d)). After the completion of the exchange offering, the remaining aggregate principal amount of USD154,400,000 of the 2019 Senior Notes and an aggregate principal amount of USD323,745,000 of the 2021 Senior Notes remain outstanding.

As at March 1, 2021, certain holders, whom have not accepted the Exchange Offer, of the 2019 Senior Notes exercised their redemption options. Therefore, the Company redeemed part of the 2019 Senior Notes, at a price of USD159,591,000 equal to the aggregate principal amount of USD149,500,000 plus accrued interest to the date of redemption.

Upon the completion of the redemption and as at June 30, 2021, the remaining outstanding principal amount of the 2019 Senior Notes were USD4,900,000 (“**2019 Outstanding Notes**”). The holders of 2019 Outstanding Notes has not exercised their redemption options and the outstanding notes will mature on February 28, 2022.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 20. SENIOR NOTES (Continued)

Notes: (continued)

**(b) 2019 Private Placement Notes**

On April 9, 2019, the Company issued the notes with an aggregate nominal value of US\$100,000,000 ("**2019 Private Placement Notes**"). 2019 Private Placement Notes bearing interest at 15.00% per annum, is payable quarterly in advance on January 9, April 9, July 9 and October 9 in each year, commencing on April 9, 2019.

According to the terms and conditions of the 2019 Private Placement Notes, on 29 March 2021, the Company completed the full redemption with cash. The aggregate redemption price was equivalent to the principal amount plus accrued interest to the redemption date.

**(c) 2021 Senior Notes**

Pursuant to note (a) above, the Company issued senior notes with an aggregate nominal value of USD323,745,000 ("**2021 Senior Notes**") to settled the Exchange Offer Notes on January 25, 2021. The 2021 Senior Notes bearing interest at 14.25% per annum, payable semi-annually in arrears from July 25, 2021, will mature on January 25, 2024. The effective interest rate is approximately 18.17% per annum after the adjustment for transaction costs. The 2021 Senior Notes are listed on the Stock Exchange and Singapore Exchange Securities Trading Limited.

The 2021 Senior Notes may be redeemed in the following circumstances:

- (1) At any time prior to January 25, 2024, the Company may at its option redeem the 2021 Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the redeemed 2021 Senior Notes plus the applicable premium as of, and accrued but unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to January 25, 2024, the Company may redeem up to 35% of the aggregate principal amount of the 2021 Senior Notes with the net cash proceeds from sales of certain kinds of capital stock of the Company in an equity offering at a redemption price of 114.25% of the principal amount of the 2021 Senior Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) The holders of 2021 Senior Notes have the right, at their option, to require the Company to repurchase for cash all of their 2021 Senior Notes, or any portion of the principal thereof that is equal to USD200,000 or an integral multiple of USD1,000 in excess thereof, on April 25, 2022 at the repurchase price equal to 100% of the principal amount of 2021 Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, April 25, 2022.

**(d) 2021 Private Placement Notes**

On March 26, 2021, the Company issued the notes with an aggregate nominal value of US\$50,000,000 ("**2021 Private Placement Notes**"). 2021 Private Placement Notes bearing interest at 16.0% per annum, is payable quarterly in advance on March 26, June 26, September 26 and December 26 in each year, commencing on June 26, 2021.

2021 Private Placement Notes may be redeemed in the following circumstances:

- (1) Scheduled redemption: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on March 26, 2023.
- (2) Redemption at the option of holder of 2021 Private Placement Notes ("**Holders**"): The issuer shall, at the option of the Holders of any 2021 Private Placement Notes redeem all but not some of such Holder's 2021 Private Placement Notes on March 26, 2022 at 100% of the principal amount of such 2021 Private Placement Notes.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 21. PLEDGE OF ASSETS

The following assets were pledged to secure certain borrowings facilities granted to the Group:

	<b>As at June 30, 2021 RMB'000 (Unaudited)</b>	As at December 31, 2020 RMB'000 (Audited)
Investment properties	<b>17,946,016</b>	17,293,600
Property, plant and equipment	<b>1,031,661</b>	1,110,272
Properties under development for sale	<b>16,485,298</b>	20,132,050
Properties held for sale	<b>838,568</b>	925,403
Restricted bank deposits	–	11,973
	<b>36,301,543</b>	39,473,300

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 21. PLEDGE OF ASSETS (Continued)

The equity interest of the following companies were pledged to secure certain borrowings facilities granted to the Group:

	As at June 30, 2021 %	As at December 31, 2020 %
Foshan Glory Southern Real Estate Development Co., Ltd 佛山市國瑞南方地產開發有限公司 (“ <b>Foshan Glory Southern</b> ”)	80	80
Glory Xingye (Beijing) Investment Co., Ltd 國瑞興業(北京)投資有限公司 (“ <b>Glory Investment</b> ”)	100	100
Beijing Wenhushengda Real Estate Development Co., Ltd 北京文華盛達房地產開發有限公司 (“ <b>Beijing Wenhushengda</b> ”)	80	80
Foshan Guohua Properties Co., Ltd. 佛山市國華置業有限公司 (“ <b>Foshan Guohua</b> ”)	–	44
Shantou Guorui Hospital Co., Ltd. 汕頭市國瑞醫院有限公司 (“ <b>Guorui Hospital</b> ”)	100	100
Suzhou Glory Real Estate Co., Ltd. 蘇州國瑞地產有限公司 (“ <b>Suzhou Glory</b> ”)	–	85
Beijing Deheng Real Estate Development Co., Ltd. 北京國瑞德恒房地產開發有限公司 (“ <b>Beijing Deheng</b> ”)	–	80
Shenzhen Glory Technology Investment Co., Ltd. 深圳國瑞科技投資有限公司 (“ <b>Shenzhen Glory Technology</b> ”) (Former name: Shenzhen Wanji Pharmaceutical Co., Ltd 曾用名：深圳萬基藥業有限公司 (“ <b>Shenzhen Wanji</b> ”))	64	–
Hainan Junhe Industrial Co., Ltd. 海南駿和實業有限公司 (“ <b>Hainan Junhe</b> ”)	80	80
Glory Xingye (Beijing) Industrial Co., Ltd. 國瑞興業(北京)實業股份有限公司 (“ <b>Glory Industrial</b> ”)	91	91
Langfang Guoxing Real Estate Development Co., Ltd 廊坊國興房地產開發有限公司 (“ <b>Langfang Guoxing</b> ”)	–	100
Beijing Ruixin Enterprise Management Co., Ltd. 北京睿欣企業管理有限公司 (“ <b>Beijing Ruixin</b> ”)	100	–
Beijing Glory Xingye Real Estate Co., Ltd. 北京國瑞興業地產股份有限公司 (“ <b>Original Beijing Glory</b> ”)	80	80
Guoyang Holdings Co., Ltd. 國洋股份有限公司 (“ <b>Guoyang Holdings</b> ”)	–	100
Guochi Holdings Co., Ltd. 國馳控股有限公司 (“ <b>Guochi Holdings</b> ”)	–	100
Shaanxi Huawei Shida Industrial Co., Ltd 陝西華威世達實業有限公司 (“ <b>Shanxi Hauwei</b> ”)	80	80

Except as disclosed above, the Group pledged 100% equity interest in Hainan Glory Investment & Development Co., Ltd. 海南國瑞投資開發有限公司 (“**Hainan Glory Investment**”) to Hai Kou New City Construction & Development Co., Ltd. 海口新城區開發建設有限公司 (“**Hai Kou New City**”) in order to secure its borrowing facilities for construction as at June 30, 2021 and December 31, 2020. The pledge shall be released within 10 days after the completion of the construction contract.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 22. COMMITMENTS

As at June 30, 2021 and December 31, 2020, the Group had the following commitments:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Contracted but not provided for		
– Expenditure in respect of investment properties under development	228,727	150,661
– Construction of properties for own use	934,605	1,066,318
	<b>1,163,332</b>	1,216,979

In addition to the above capital commitments, the Group has contracted expenditure in respect of properties under development for sale of approximately RMB5,941,259,000 as at June 30, 2021 (December 31, 2020: RMB6,000,745,000), which have not been provided for in the condensed consolidated financial statements.

### 23. FINANCIAL GUARANTEE

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Guarantees provided by the Group in respect of loan facilities	<b>6,420,964</b>	6,769,096

Note:

The Group has pledged certain restricted bank deposits and provided guarantees to banks in favor of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties and under development properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security of the mortgage loans granted.

In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant as the default rate is low and a large portion of consideration from property sales contract has been received and recognised as contract liabilities.

As at June 30, 2021, Garden Group has provided guarantee to a bank for a banking facility granted to the Group's associate, Beijing Ruida Properties Co., Ltd. 北京瑞達置業有限公司 ("Ruida Zhiye"), of which the bank borrowing guaranteed by the Group amounted to RMB385,000,000 (December 31, 2020: RMB567,000,000). Ruida Zhiye had pledged the land use rights to secure such banking facility.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 24. LIQUIDITY RISK MANAGEMENT

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings and its available credit facilities. The Directors closely monitor the liquidity position and ensure it has adequate sources of funding to finance the Group's projects and operations.

As there is no assurance that proceeds received from future pre-sales of the Group's current real estate projects will be sufficient to meet the Group's needs, the Group's operating plan requires it to raise additional funds to finance the development and construction of its current real estate projects. If the Group is unable to raise additional equity or debt financing, the Group's operations might need to be curtailed.

The management performed cash flow forecasts for the Group's operations and monitors the forecasts of the Group's liquidity requirements from time to time to ensure the Group has sufficient cash to meet its operational needs and settle liabilities when they fall due. The management takes into account the following considerations in projecting their cash flow forecasts: (a) estimated cash inflows from property sales; and (b) further loans under provisional approvals of certain banks. The Directors consider that the Group will be able to maintain sufficient financial resources to meet its operational needs. However, the current economic conditions continue to create uncertainty particularly over the level of demand for the Group's properties for sale and the availability of bank finances for the foreseeable future. Any delay or unavailability of any of the above measure or sources of finance would impact the Group's liquidity position. The management will closely monitor the liquidity position and set out alternative measures which include adjusting the construction progress as appropriate, reducing the Group's spending on land investments, accelerating sales with more flexible pricing and obtaining other external financing through security market.

### 25. SHARE-BASED PAYMENTS

#### Share Option Scheme

Pursuant to the pre-IPO share option scheme adopted by the Company on June 5, 2014 ("**Pre-IPO Share Option Scheme**"), the Company granted to 54 grantees options to subscribe for an aggregate of 67,076,800 shares of the Company on June 16, 2014 ("**Pre-IPO Share Option**").

All options under the Pre-IPO Share Option Scheme were granted on June 16, 2014. No additional performance target or condition applies to the outstanding options granted under the Pre-Option Scheme. The exercise price for any option granted under the Pre-IPO Share Option Scheme shall be 60% of the offer price. All share options will be expired after 7 years since the grant date.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 25. SHARE-BASED PAYMENTS (Continued) Share Option Scheme (Continued)

The vesting periods of the Pre-IPO Share Options are as follows:

33.33%: from the date of grant to July 7, 2015

33.33%: from the date of grant to July 7, 2016

33.34%: from the date of grant to July 7, 2017

The following table discloses movements of the Company's share options held by employees and directors during the period:

	Outstanding as at January 1, 2021	Exercised during the the period	Expired during the period (Note)	Outstanding as at June 30, 2021
Pre-IPO Share Option				
– Directors	11,190,000	–	(11,190,000)	–
– Other employees	37,516,137	–	(37,156,137)	–
	48,706,137	–	(48,706,137)	–
Exercisable at the end of the period				–
Weighted average exercise price (HKD)	1.428	–	–	–

	Outstanding as at January 1, 2020	Exercised during the the period	Lapsed during the period	Outstanding as at June 30, 2020
Pre-IPO Share Option				
– Directors	11,190,000	–	–	11,190,000
– Other employees	37,516,137	–	–	37,516,137
	48,706,137	–	–	48,706,137
Exercisable at the end of the period				48,706,137
Weighted average exercise price (HKD)	1.428	–	–	1.428

Note: As at June 30, 2021, all outstanding share options granted under Pre-IPO Share Option Scheme were expired after 7 years since the grant date (i.e. June 16, 2021).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below:

Name of related party	Relationship
Mr. Zhang Zhangsun	Executive Director and controlling shareholder of the Company
Ms. Ruan Wenjuan	Executive Director and spouse of Mr. Zhang Zhangsun
Ms. Zhang Jin	Executive Director and daughter of Mr. Zhang Zhangsun
Mr. Lin Yaoquan	Executive Director and brother-in-law of Mr. Zhang Zhangsun
Mr. Zhang Zhangqiao	Younger brother of Mr. Zhang Zhangsun
Ms. Zhang Youxi	Sister of Mr. Zhang Zhangsun
Guangdong Guosha Real Estate Co., Ltd.* ("Guangdong Guosha Real Estate") 廣東國廈地產有限公司	Controlled by Mr. Zhang Zhangqiao
Guangdong Guosha Investment Holding Group Co., Ltd.* ("Guangdong Guosha Investment") 廣東國廈投資控股集團有限公司	Controlled by Mr. Zhang Zhangqiao
Guangzhou Yitian Tourism Development Co., Ltd.* ("Guangzhou Yitian") 廣州一片天旅遊開發有限公司	Controlled by Ms. Zhang Jin
Tianjin Zhongrui Xingye Real Estate Development Co., Ltd.* ("Tianjin Zhongrui Xingye") 天津中瑞興業房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao
Wuxi Glory Real Estate Development Co., Ltd.* ("Wuxi Glory") 無錫國瑞房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao

## 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related party	Relationship
Beijing Huirui Capital Investment Co., Ltd* ("Beijing Huirui") 北京匯瑞資本投資有限公司	Controlled by Ms. Zhang Youxi
Beijing Dayuan Tongrui Investment Center (limited partnership)* ("Beijing Dayuan Tongrui") 北京達源通瑞投資中心(有限合夥)	Controlled by Ms. Zhang Youxi
Beijing Glory Commercial Management Co., Ltd.* ("Glory Commercial Management") 北京國瑞興業商業管理有限公司	Controlled by Ms. Zhang Jin
Beijing Glory Property Services Co., Ltd.* ("Glory Services") 北京國瑞物業服務有限公司	Controlled by Mr. Zhang Zhangsun
Beijing Guorui Business Management Co., Ltd.* ("Beijing Guorui") 北京國瑞商業管理有限公司	Controlled by Ms. Zhang Jin
Beijing Fangyun Online Network Technology Co., Ltd.* ("Beijing Fangyun") 北京房雲在線網絡科技有限公司	Controlled by Ms. Zhang Jin
Beijing Maorui Zhiye Co., Ltd.* ("Maorui Zhiye") 北京茂瑞置業有限公司	Joint venture
Beijing Guoyin Investment Fund Management Co., Ltd.* ("Guoyin Fund Investment Management") 北京國銀投資基金管理有限公司	Controlled by Ms. Zhang Jin

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related party	Relationship
Beijing Guoxing Real Estate Co., Ltd.* ("Beijing Guoxing") 北京國興地產有限公司	Controlled by Mr. Zhang Zhangqiao
Beijing Yinhe Guorui Commercial Investment Co., Ltd* ("Beijing Yinhe") 北京銀和國瑞商業投資有限公司	Controlled by Ms. Zhang Jin
Beijing Ruida Properties Co., Ltd.* ("Ruida Zhiye") 北京銳達置業有限公司	Controlled by Mr. Zhang Zhangsun
Beijing Ruimao Real Estate Co.,Ltd.* ("Ruimao Real Estate") 北京瑞茂房地產開發有限公司	Joint venture
Shijiazhuang Guolong Properties Development Co., Ltd ("Shijiazhuang Guolong") 石家莊國龍房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao
Longhu Huamu Market Co., Ltd.* ("Longhu Huamu") 汕頭市龍湖花木市場有限公司	Controlled by Ms. Zhang Youxi
Shantou Garden Property Services Co., Ltd.* ("Shantou Garden Services") 汕頭市花園物業管理有限公司	Controlled by Ms. Zhang Jin
Shantou Chenghai Glory Howard Johnson Guorui Hotel Co., Ltd.* ("Shantou Chenghai Glory") 汕頭市澄海國瑞豪生大酒店有限公司	Controlled by Ms. Zhang Youxi

## 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related party	Relationship
Shantou Chenghai Garden Hotel Co.,Ltd.* (“ <b>Shantou Chenghai</b> ”) 汕頭市澄海花園酒店有限公司	Controlled by Mr. Zhang Zhangsun
Shantou Garden Hotel Management Co., Ltd.* (“ <b>Shantou Garden Hotel</b> ”) 汕頭市花園賓館管理有限公司	Controlled by Mr. Zhang Zhangsun
Jinming Wujin Material Co., Ltd.* (“ <b>Jinming Wujin</b> ”) 汕頭市金明五金材料有限公司	Controlled by Mr. Zhang Zhangsun
Xian Ruihe Xingda Commercial Management Co., Ltd.* (“ <b>Xian Ruihe</b> ”) 西安瑞和興達商業管理有限公司	Controlled by Ms. Zhang Jin
Foshan Yinhe Ruixing Commercial Management Co., Ltd.* (“ <b>Foshan Yinhe</b> ”) 佛山市銀和瑞興商業管理有限公司	Controlled by Ms. Zhang Jin
Shenyang Glory Xingda Management Co., Ltd.* (“ <b>Shenyang Xingda</b> ”) 沈陽國瑞興達企業管理有限公司	Controlled by Ms. Zhang Jin
Hebei Guoxia Real Estate Development Co., Ltd.* (“ <b>Hebei Guoxia</b> ”) 河北國廈房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao
Chongqing Ruiao Real Estate Co., Ltd.* (“ <b>Chongqing Ruiao</b> ”) 重慶瑞奧置業有限公司	Controlled by Mr. Zhang Zhangqiao
Chongqing Longxia Real Estate Development Co., Ltd* (“ <b>Chongqing Longxia</b> ”) 重慶龍廈房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related party	Relationship
Tangshan Guosha Real Estate Development Co., Ltd.* <b>(“Tangshan Guosha Real Estate”)</b> 唐山國慶房地產開發有限公司	Controlled by Mr. Zhang Zhangqiao
Hainan Glory Commercial Management Co., Ltd.* <b>(“Hainan Glory Commercial Management”)</b> 海南國瑞興業商業管理有限公司	Controlled by Ms. Zhang Jin
Shenzhen Diyun Real Estate Consulting Co., Ltd.* <b>(“Shenzhen Diyun”)</b> 深圳地雲地產諮詢有限公司	Controlled by Mr. Zhang Zhangsung
Shenzhen Glory Industrial Development Co., Ltd.* <b>(“Shenzhen Glory Industrial”)</b> 深圳國瑞興業發展有限公司	Controlled by Mr. Zhang Zhangsung
Shenzhen Guorui Commercial Management Co., Ltd. <b>(“Shenzhen Guorui Commercial”)</b> 深圳國瑞商業管理有限公司	Controlled by Ms. Zhang Jin
Shenzhen Kesong Investment Co. Ltd.* <b>(“Shenzhen Kesong”)</b> 深圳科松投資有限公司	Controlled by Ms. Zhang Jin
Shenzhen Guokesheng Robot Technology Co., Ltd.* <b>(“Shenzhen Guokesheng Robot”)</b> 深圳國科盛機器人科技有限公司	Controlled by Ms. Zhang Jin
Shenzhen Guorui Medical Industry Development Co., Ltd.* <b>(“Shenzhen Guorui Medical”)</b> 深圳國瑞醫療產業發展有限公司	Controlled by Ms. Zhang Jin



## 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related party	Relationship
Shenzhen Guoyu Network Technology Co., Ltd.* (“ <b>Shenzhen Guoyu</b> ”) 深圳國裕網絡科技有限公司	Controlled by Ms. Zhang Jin
Shenzhen Deep Sea Entertainment Management Co., Ltd.* (“ <b>Shenzhen Deep Sea</b> ”) 深圳深海謎底娛樂管理有限公司	Controlled by Mr. Zhang Zhangsun
Shenzhen Aiguoyi Children’s Paradise Management Co., Ltd.* (“ <b>Shenzhen Aiguoyi</b> ”) 深圳愛國懿兒童樂園管理有限公司	Controlled by Mr. Zhang Zhangsun
Shenzhen Ruibutler Electronic Commerce Co. Ltd.* (“ <b>Shenzhen Ruibutler</b> ”) 深圳瑞管家電子商務有限公司	Controlled by Mr. Zhang Zhangsun
Alltogether Land Company Limited (“ <b>Alltogether Land</b> ”) 通和置業有限公司	Parent and ultimate holding company controlled by Mr. Zhang Zhangsun
Tung Wo International Investment Limited (“ <b>Tung Wo International</b> ”)	Controlled by Mr. Zhang Zhangsun

\* The English name of the companies established in the PRC are for reference only and have not been registered.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at June 30, 2021 and December 31, 2020, the Group has prepayments to or amounts receivable from the following related parties and the details are set out below:

Name of related party	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
<b>Trade nature</b> (Note (i)):		
Foshan Yinhe	25,573	24,345
Glory Services	5,626	–
	<b>31,199</b>	24,345
<b>Non-trade nature</b> (Note (ii)):		
Guangdong Guosha Investment	50,000	50,000
Guangzhou Yitian	70	–
Wuxi Glory	77,648	70,981
Beijing Huirui	7,204	–
Beijing Dayuan Tongrui	4,000	–
Glory Commercial Management	3,003	13,084
Glory Services	12,617	17,888
Beijing Guorui	138	–
Beijing Fangyun	194	–
Maorui Zhiye	1,039,907	1,005,415
Ruida Zhiye	1,344,279	1,317,035
Ruimao Real Estate	–	4,592
Longhu Huamu	789,300	–
Shantou Garden Services	700	700
Jinming Wujin	68	2,727
Xian Ruihe	–	4,486
Foshan Yinhe	–	32

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at June 30, 2021 and December 31, 2020, the Group has prepayments to or amounts receivable from the following related parties and the details are set out below: (Continued)

Name of related party	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
Shenyang Xingda	2,720	2,702
Hainan Glory Commercial Management	1,364	–
Shenzhen Diyun	19,264	16,584
Shenzhen Glory Industrial	9,110	9,110
Shenzhen Guorui Commercial	400	–
Shenzhen Kesong	–	442
Shenzhen Gluorui Medical	5,526	5,526
Shenzhen Guoyu	16,981	11,714
Shenzhen Aiguoyi	–	1,843
Shenzhen Ruibutler	–	105
Alltogether Land	21,307	542
	<b>3,405,800</b>	2,535,508
Total	<b>3,436,999</b>	2,559,853
Allowance for credit losses	<b>(9,407)</b>	(2,986)
Total	<b>3,427,592</b>	2,556,867
Analysed for reporting purposes as:		
Non-current	–	–
Current	<b>3,427,592</b>	2,556,867
	<b>3,427,592</b>	2,556,867

Notes:

- (i) Balances of trade nature are unsecured, interest free, and aged within one year.
- (ii) Balances of non-trade nature are unsecured and repayable on demand. Included in the balances were RMB2,245,601,000 (2020: RMB2,322,450,000) bearing interest ranging from 4.71% to 9.30% (December 31, 2020: 4.35% to 9.30%).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) As at June 30, 2021 and December 31, 2020, the Group has amounts due to the following related parties and the details are set out below:

	As at June 30, 2021 RMB'000 (Unaudited)	As at December 31, 2020 RMB'000 (Audited)
<b>Trade nature</b> (Note (i)):		
Glory Commercial Management	13,055	57,762
Glory Services	22,408	22,656
Shenyang Xingda	–	376
Foshan Yinhe	–	8,798
Hainan Glory Commercial Management	–	965
	<b>35,463</b>	90,557
<b>Non-trade nature</b> (Note (ii)):		
Guangdong Guoxia Real Estate	76,000	76,000
Guangdong Guosha Investment	1,500,958	1,322,724
Glory Services	79,598	12,096
Beijing Yinhe	148	148
Ruimao Real Estate	250,827	254,733
Shijiazhuang Guolong	196,200	–
Longhu Huamu	4,071,794	3,222,289
Shantou Chenghai Glory	184	908
Shantou Chenghai	135	235
Hainan Glory Commercial Management	204	204
Shenzhen Glory Industrial	–	12,487
Shenzhen Guorui Commercial	14,517	–
Shenzhen Deep Sea	200	200
Shenzhen Xiangrui	–	721
Shenzhen Ruibutler	–	105
Alltogether Land (Note (iii))	850,853	761,994
Tung Wo International	165	–
Mr. Zhang Zhangsun	–	3
Mr. Lin Yaoquan	65,779	60,000
	<b>7,107,562</b>	5,724,847
<b>Total</b>	<b>7,143,025</b>	5,815,404

Notes:

- (i) Balances of trade nature are unsecured, interest free, and aged within one year.
- (ii) Balances of non-trade nature are unsecured, interest free, and repayable on demand.
- (iii) The amount represented dividend payable and advance received.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended June 30, 2021 and 2020, the Group entered into the following transactions with its related parties:

Name of related party	Nature of transaction	Six months ended June 30,	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Glory Commercial Management	Property management services fee	11,351	11,815
Glory Services	Property management services fee	10,257	10,912
	Distribution and selling expenses	2,308	–
		12,565	10,912
Xian Ruihe	Property management services fee	1,754	–
Fohan Yinhe	Property management service fee	4,108	–
Shenyang Xingda	Property management services fee	215	–
Hainan Glory Commercial Management	Property management services fee	1,309	–

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2021

### 26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (e) Mr. Zhang Zhangsun and Ms. Ruan Wenjuan have provided guarantees for certain borrowings granted to the Group for nil consideration. As at June 30, 2021, the Group has borrowings guaranteed by Mr. Zhang Zhangsun and Ms. Ruan Wenjuan amounting to RMB13,159,071,000 (December 31, 2020: RMB15,556,658,000).
- (f) Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, which include the Directors and other key management of the Group. The key management personnel compensation are as follows:

	Six months ended June 30,	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short-term employee benefits	25,145	12,283
Retirement benefit contributions	38	55
	<b>25,183</b>	12,338



**GLORY 国瑞**

GUORUI PROPERTIES LIMITED  
國瑞置業有限公司