



FEARLESS

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2021 Interim Report

FANTASIA
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花樣年控股集團有限公司
FANTASIA HOLDINGS GROUP CO., LIMITED
Stock Code: 01777.HK

有 趣 / 有 味 / 有 料

A Leader in Providing Joyful, Colorful and Meaningful Living Space and Experience.

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DIRECTORS

Executive Directors

Mr. Pan Jun (*Chairman and Chief Executive Officer*)
Ms. Zeng Jie, Baby
Mr. Ke Kasheng
Mr. Zhang Huiming
Mr. Chen Xinyu

Non-Executive Directors

Mr. Liao Qian

Independent Non-Executive Directors

Mr. Ho Man
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu

COMPANY SECRETARY

Ms. Yeung Lee

AUTHORIZED REPRESENTATIVES

Mr. Pan Jun
Ms. Yeung Lee

AUDIT COMMITTEE

Mr. Ho Man (*Committee Chairman*)
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu

REMUNERATION COMMITTEE

Mr. Guo Shaomu
(*Committee Chairman*)
Mr. Pan Jun
Mr. Ho Man
Ms. Wong Pui Sze, Priscilla, JP

NOMINATION COMMITTEE

Mr. Pan Jun (*Committee Chairman*)
Ms. Zeng Jie, Baby
Mr. Ho Man
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu

AUDITORS

Deloitte Touche Tohmatsu
Registered Public Interest Entity
Auditors

PRINCIPAL BANKERS

China Minsheng Bank Corp., Ltd.
Industrial and Commercial Bank
of China Limited
Ping An Bank Co., Ltd.
China Everbright Bank Co., Ltd.

LEGAL ADVISORS

As to Hong Kong Law
Sidley Austin

As to PRC Law
Commerce & Finance Law Offices

As to Cayman Islands Law
Conyers Dill & Pearman

REGISTERED OFFICE

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

CORPORATE HEAD OFFICE IN HONG KONG

Room 1202-03
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16-18 Queen's Road Central
Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

Block A, Funian Plaza
Shihua Road and Zijing Road
Interchange in Futian Duty-free Zone
Shenzhen 518048
Guangdong Province
China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

The Company's Share Listing
Ordinary shares
The Stock Exchange of
Hong Kong Limited
Stock Code: 1777

WEBSITE

<http://www.cnfantasia.com>



No.	Award-winning Unit	Award	Issuing Authority
1	Fantasia Holdings	2021 Top 100 Real Estate Companies of China – TOP 50	China Index Academy
2	Fantasia Holdings	2021 Top 100 Real Estate Companies of China – TOP 10 in Resilience	China Index Academy
3	Fantasia Holdings	2021 Top 100 Real Estate Companies of China – TOP 10 in Financing Capacity	China Index Academy
4	Fantasia Holdings	2021 China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value	China Index Academy
5	Fantasia Holdings	2021 Noteworthy Real Estate Companies in the Capital Market	China Index Academy
6	Fantasia Holdings	2021 China's Real Estate Listed Companies with Leading Product Power – Art Technology (2021中國房地產上市公司產品力領先企業—藝術科技)	China Index Academy
7	Fantasia Holdings	Quality Real Estate Companies of China Award	Preparation Committee of the Quality Real Estate Companies of China Award
8	Fantasia • Good Time	TOP 10 Outstanding Practitioners in Urban Renewal	CRIC



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No.	Award-winning Unit	Award	Issuing Authority
9	Guilin Fantasia Luhu International Project	AHLA Asia Habitat Landscape Award – Human Habitat Special Project • Art Design Award of Excellence (AHLA亞洲人居景觀獎—人居專項•藝術設計類優秀獎)	Organising Committee of Asia Habitat Landscape Award, QIDI Design
10	Fantasia • Good Time	Aesthetics Vogue Award – Architectural Design Award of Excellence	Organising Committee of Aesthetics Vogue Award
11	Changdu Fantasia • Huayang Jinjiang	Aesthetics Vogue Award – Space Design Award of Excellence	Organising Committee of Aesthetics Vogue Award
12	Lively Foodie Restaurant of Fantasia Kunming Haoweilai Project	Aesthetics Vogue Award – Soft Furnishing Design Award of Excellence	Organising Committee of Aesthetics Vogue Award
13	Kaisa • Fantasia • Guangyayuan	Aesthetics Vogue Award – Innovative Conceptual Design Award of Excellence	Organising Committee of Aesthetics Vogue Award
14	Colour Life	Best Property Management Company	Zhitong Finance (智通財經)
15	Colour Life	Caring Enterprise with Outstanding Contribution to Charity (公益慈善突出貢獻愛心企業)	Shenzhen Property Management Association
16	Colour Life	2021 Top 20 Listed Property Management Companies of Outstanding Capital Market Performance in China (2021中國物業服務上市企業資本市場表現TOP 20)	Guandian Index Academy



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毛利率	排名	公司	毛利率	排名
95.00%	1	彩生活	12.5	1
87.83%	2	正荣服务	11.7	2
85.96%	3	碧桂园服务	9.4	3
83.40%	4	恒大物业	6	4
82.40%	5	远洋服务	5.8	5
95.00%	6	滨江服务	4	6
83.70%	7	宝龙服务	3.2	7
83.56%	8	远洋服务	2.8	8
82.67%	9	佳兆业服务	2.5	9
81.18%	10	彩生活	2.2	10

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No.	Award-winning Unit	Award	Issuing Authority
17	Colour Life	Top 50 Property Management Companies in China	Guandian Index Academy
18	Colour Life	List of Gross Profit Margin of Community Value-added Services by Hong Kong Listed Property Management Companies (2020年港股物企社區增值服務毛利率榜) (Ranking 1st)	Leju Finance (樂居財經)
19	Colour Life	Top 100 Property Management Companies in China	China Index Academy
20	Colour Life	China Internet Community Operation Leading Company	China Index Academy
21	Colour Life	China Leading Property Management Companies in terms of Technology Application	China Index Academy
22	Colour Life	China Top 100 Property Management Companies in terms of Service Scale – TOP 10	China Index Academy
23	Colour Life	China Top 100 Leading Property Management Companies in terms of Service Quality	China Index Academy
24	Colour Life	Top 100 of Most Valuable Brand of China Property Management Service	Shanghai E-House Real Estate Institute (上海易居房地產研究院)



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No.	Award-winning Unit	Award	Issuing Authority
25	Colour Life	China Excellent Property Management Company by ESG Development	China Index Academy
26	Colour Life	China Top 10 Listed Property Management Companies in terms of Comprehensive Strength	China Index Academy
27	Colour Life	China Top 10 Listed Property Management Companies in terms of Market Expansion Ability	China Index Academy
28	Colour Life	China Top 10 Listed Property Management Companies in terms of Scale	China Index Academy
29	Colour Life	2021 China Excellent Listed Property Management Company by Investment Value	China Index Academy
30	Colour Life	Top 100 Blue Chip Property Management Companies	The Economic Observer
31	Colour Life	Most Valuable Brands (卓越品牌價值企業)	The Economic Observer
32	Wanxiangmei	2021 China Commercial Property Management Exceptional Companies	China Index Academy



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No.	Award-winning Unit	Award	Issuing Authority
33	Wanxiangmei	Most Valuable Property Management Service Provider Brands (卓越服務力價值企業)	The Economic Observer
34	Kaiyuan International	2021 China Leading High-end Property Management Companies	China Index Academy
35	Kaiyuan International	2021 China Leading Property Management Companies in terms of Characteristic Service – High-end Residential Properties	China Index Academy
36	Kaiyuan International	2021 Top 100 China Leading Property Management Companies in terms of Customer Satisfaction	China Index Academy
37	Kaiyuan International	Outstanding High-end Property Management Service Providers (高端物業「美好生活」運營商)	The Economic Observer
38	Urban Development Company (城發公司)	2021 China Outstanding Real Estate Companies in Urban Renewal	China Index Academy
39	Luwan 68	A'Design Award	The International Council of Societies of Industrial Design (ICSID)



Mr. Pan Jun
Chairman of the Board of
Directors of Fantasia Group

Dear Shareholders,

I am pleased to present to our shareholders the business review of Fantasia Holdings Group Co., Limited ("Fantasia" or the "Company", together with its subsidiaries the "Group") for the six months ended 30 June 2021 as well as its prospects.

I. RESULTS

In the first half of 2021, the Group recorded revenue of approximately RMB10,952 million, representing an increase of 18.5% compared to the corresponding period of last year. The Group's net profit for the period was approximately RMB303 million, representing an increase of 9.5% compared to the corresponding period of last year. Net profit attributable to owners of the Company for the period was approximately RMB153 million, representing an increase of 58.7% compared to the corresponding period of last year.

II. REVIEW FOR THE FIRST HALF OF 2021

In the first half of 2021, faced with the uncertainties brought by the global COVID-19 pandemic, the central government adhered to the general principle

of "promoting progress while maintaining stability", pushed forward pandemic prevention and control and promoted economic and social development in a coordinated manner, supporting the PRC economy to maintain a steady recovery momentum. In the first half of the year, China's GDP amounted to RMB53.2167 trillion, up by 12.7% YoY, resulting in an average growth rate of 5.3% for the last two years.

As for the real estate industry, sales of commercial properties in the first half of 2021 amounted to RMB9,293.1 billion, which represented a year-on-year increase of 38.9% and an increase of 31.4% as compared with the first half of 2019, with an average growth rate of 14.7% for the last two years. The real estate industry continued to play an important part in the development of the domestic economy.

In the first half of 2021, with the mentality of restarting a business and under the overall strategic layout of focusing on "property + community", the Group continuously deepened the dual business drivers of "property development" and "community service". By implementing efficient operation, conducting targeted investment, adopting sound financial policies and providing satisfactory services, the Group achieved substantial progress in various businesses.



Chengdu Fantasia · Haoweilai



Chongqing Fantasia · Hockney's Good Time

Efficient Operation

In the first half of 2021, faced with the negative impact brought by the COVID-19 pandemic, the Group proactively implemented responsive measures and achieved excellent sales performance. The Group recorded contracted sales of RMB28,117 million and corresponding gross floor area sold of approximately 1,736,003 sq.m., up by 60.6% and 28.2% YoY, respectively, laying a solid foundation for achieving the sales goal for the year.

At the same time, the Company focused on sales proceeds collection in the first half of 2021 by implementing refined management and control in every aspect of the operation, formulating sale strategy and incentives policy for the purpose of improving cash collection from sales, requiring financial staff of all regional branches to accelerate cash collection from sales proceeds in the post-sale process and increasing the importance of cash collection rate in staff performance appraisal, achieving the goal of satisfactory cash collection rate.

The Group also continued to improve its product quality. Focusing on the lifestyle concept and space demand of various customers rather than the traditional rigid demand and improving demand, the new product lines (i.e. “joyful”, “tasteful” and “meaningful”) of Fantasia created a separate storyline for each project and presented its products through the combination of art and technology, so as to improve the overall core competitiveness of its products. A number of quality projects featuring the unique product characteristics of Fantasia have been launched since the beginning of 2021, such as Chongqing Hockney's Good Time under the “joyful” series and Foshan Guangyayuan under the “tasteful” series, which received great attention and extensive recognition from the market.

Targeted Investment

In the first half of 2021, in light of the new changes brought by the policy of centralised land supply, the Group adopted responsive measures to achieve targeted land acquisition. The Group acquired a total of six parcels of quality land located in the first and second tier cities including Chongqing, Foshan, Hangzhou and Beijing, laying a solid foundation for future sales growth of the Group.

In terms of land acquisition strategy, the Group kept abreast of changes in government policies to make timely adjustments to its strategy. Sticking to the principle of targeted land acquisition, the Group optimised its investment decision-making process, established the quantitative financial criteria for investments, and integrated the resources from the investment, marketing, customer research, market planning, product, finance and other departments, with an aim to improve its comprehensive investment capability. The Group continued to expand its vertical strategic move in the five major metropolitan areas and focus on key cities. Sticking to the high-turnover strategy, the Group continued to acquire lands mainly through public auctions and focus on small and medium size projects. In addition, the Group attached emphasis on the strategy of diversified land acquisition by strengthening its advantages in acquisition of urban renewal projects, enhancing cooperation with outstanding property developers and integrating resources with other leading players, so as to further increasing the Group's land bank advantage.

Sound Financial Policy

The Group is always committed to pursuing healthy development. In the first half of 2021, the Group took active measures to manage its debt level. As at the end of June 2021, the net gearing ratio of the Group was 74.8%, maintaining at a healthy level of the industry.

In the first half of 2021, especially since May of the year, due to the overall increasing volatility in the offshore USD property bond market, we witnessed fluctuations in the prices of our offshore USD bonds. The Board and the management paid great attention to such phenomenon, and proactively conducted communication with the investors and implemented a series of bond management measures, such as carrying out bond repurchases in the open market since May and making two offers to repurchase the bonds due in October 2021 with the principal amount of USD 500 million, enabling the Group to make prepayment in an aggregate amount of USD288 million, so as to effectively reduce its short-term liabilities. In addition, the Group successfully issued the 3-year USD bonds with a principal amount of USD200 million in June, optimising the maturity profile of its issued bonds and demonstrating the strong confidence of the capital market in the financial strength and long-term development of the Group.

In its following move, the Group will adhere to the overall philosophy of “reducing total debt, cutting USD bond size, reducing short-term debts and cutting financing costs” and proactively optimise its major financial indicators. The Group will make great efforts to enhance its debt management, optimise its debt financing channels and maturity profile, and reduce the proportion of offshore bonds and short-term bonds. The Group will further optimise its capital structure and make good use of the domestic and overseas capital markets, especially the facilities from the domestic and overseas banks, so as to reduce its financing costs.

Satisfactory Services

In the first half of 2021, with an aim to provide customers with satisfactory services, Colour Life Services Group Co., Limited (“Colour Life”), a subsidiary of the Group, continued to explore the basic property management services by focusing on management details and service awareness, achieving the transformation from “property management” to “resident service” through an up-to-bottom approach. To accommodate its efforts in improving service quality, Colour Life implemented a “sea-land-air” three dimensional management system to manage its projects, that is to implement timely supervision and management through its three-level hierarchy comprising city branches, regional companies and headoffice, achieving refined management of community services. Colour Life also made tremendous efforts to promote community harmony by organizing a wide range of community activities, with an aim to enrich the cultural activities of the community, promote neighbourhood relationship, improve the happiness of the residents and create interesting, loving and caring communities.

The Group made continuous upgrading and optimisation to its community services, covering from upgrading and renovation of hardware equipment to planning and organisation of community activities, with an aim to provide residents with more refined and comprehensive services and promote healthier development of the Company in the longer run. Leveraging on our in-depth knowledge and understanding of the communities, we will continue to discover, explore and promote the value of community services, in an effort to build wonderful communities with humanitarian care, technology and harmony.

III. PROSPECTS

Looking forward to the second half of 2021, due to the ongoing development of the global pandemic, the external environment is ridden with instability and uncertainties. It is expected that the PRC economy will continue to maintain steady recovery with improvement and positive performance. The central government will continue to push forward the supply-side structural reform with an aim to release domestic demand potential and promote high quality development, while the real estate industry will adhere to the policy of “houses are for living and not for speculation” and the property market will maintain steady and healthy development.



Chongqing Fantasia · Hockney's Good Time

In the second half of 2021, adhering to the vision of “becoming an interesting, tasteful, resourceful leader in living space and experience”, and upholding the spirit of second startup, Fantasia will focus on the dual business driver strategy of “property development” and “community service”, and elevate its overall quality to develop its core competence by: (i) implementing “efficient operation”. Fantasia will strengthen the development of operation system, enhance operation efficiency to improve profit margin and cash flow, implement reward and penalty system to promote organizational vitality, and strive to realise its original aspiration and create value under the spiritual guidance of its corporate culture and core value; (ii) conducting “targeted investment”. Fantasia will focus on extending our business presence in cities with huge potential within the five major urban agglomerations, acquire lands through public auctions to accelerate project turnover, and also secure profitable projects through urban renewal projects; (iii) adopting “sound financial policies”. Fantasia will exercise sound debt management to optimize debt structure, and diversify financing channels to reduce financing costs; (iv) providing “satisfactory services”. Fantasia will provide customers with outstanding basic property management services and value-added services to achieve scale business growth and improve customer satisfaction.

Through the aforesaid efforts, we believe that Fantasia will continue to provide customers with better products and services, and offer shareholders and investors greater return.

IV. APPRECIATION

The development and sound performance of Fantasia cannot be achieved without the trust and support of shareholders, bondholders and business partners, and the unremitting efforts made by all employees. I would like to take this opportunity to extend my sincere gratitude to all of you on behalf of the Board of Directors!

Pan Jun

Chairman

25 August 2021



Chongqing Fantasia · Hockney's Good Time

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from the (i) property development, (ii) lease of investment properties, (iii) provision of property operation services, (iv) provision of hotel accommodation services, and (v) property project management and other related services. For the Period, revenue of the Group amounted to approximately RMB10,952 million, representing an increase of 18.5% from approximately RMB9,241 million for the corresponding period of 2020. Profit for the Period attributable to the owners of the Company was approximately RMB153 million, representing an increase of 58.7% from approximately RMB96 million for the corresponding period of 2020.

The table below sets forth the total revenue derived from each of the projects and the aggregate gross floor area (“GFA”) of properties sold in the first half of 2021 and 2020.

	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Total Revenue	Aggregate GFA Sold	Average Selling Price	Total Revenue	Aggregate GFA Sold	Average Selling Price
	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.
Nanjing Lishui Jiatianxia	2,026,328	163,773	12,373	–	–	–
Tianjin Jiatianxia	1,864,781	160,260	11,636	–	–	–
Guilin Lakeside Eden	1,474,193	239,776	6,148	926,254	148,583	6,234
Chengdu Zhihui City	1,156,051	177,639	6,508	27,740	9,495	2,922
Sichuan Jiatianxia	688,981	67,129	10,264	2,215,338	177,844	12,457
Chengdu Grande Valley	619,435	87,751	7,059	–	–	–
Chengdu Longnian Plaza	406,495	44,810	9,072	27,361	5,744	4,763
Chengdu Xiangmendi	36,775	4,924	7,469	2,751,220	299,226	9,194
Cixi Seasonal Mansion Project	25,178	5,933	4,244	–	–	–
Kunming Lakeside Eden	18,227	11,810	1,543	91,050	29,677	3,068
Ziyang Love Forever	1,418	185	7,665	–	–	–
Chengdu Kanjinzhao	1,220	142	8,592	–	–	–
Huizhou Zijin Huafu	–	–	–	210,620	25,071	8,401
Sichuan Meinian Plaza	–	–	–	101,593	5,918	17,167
Ci Xi Joy City	–	–	–	50,479	9,046	5,580
Chengdu Longwu	–	–	–	15,489	5,896	2,627
Sub-total	8,319,082	964,132		6,417,144	716,500	
Others	34,849			213,647		
Total	8,353,931			6,630,791		

Property Development

The Group recognises revenue from the sale of properties at a point in time when the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable. Revenue from property development represents the proceeds from sales of properties held for sales by the Group. Revenue derived from property development increased by 26.0% to approximately RMB8,354 million for the six months ended 30 June 2021 from approximately RMB6,631 million for the corresponding period in 2020, which was primarily due to the increase in income recognized for the additional properties of the Group brought forward to this year as compared to the corresponding period last year.

Property Investment

Revenue generated from property investment decreased by 24.8% to approximately RMB148 million for the six months ended 30 June 2021 from approximately RMB197 million for the corresponding period in 2020. The decrease was primarily due to the decrease in rented area of investment properties leased out.

Property Agency Services

Revenue derived from property agency services increased by 432.4% to approximately RMB40 million for the six months ended 30 June 2021 from approximately RMB7 million for the corresponding period in 2020, which was due to the increase in commissions charged for the agency services for leasing and selling.

Property Operation Services

Revenue derived from property operation services increased by 4.9% to approximately RMB2,229 million for the six months ended 30 June 2021 from approximately RMB2,124 million for the corresponding period in 2020, mainly due to the increase in property areas under our management.

Hotel Operation and Related Services

Revenue derived from hotel operation and related services amounted to approximately RMB40 million for the six months ended 30 June 2021, representing an increase of 71.6% as compared to the corresponding period of 2020, which was mainly due to the recovery in tourism as the COVID-19 epidemic eased further (the corresponding period in 2020: RMB24 million).



Chengdu Fantasia · Haoweilai



Chengdu Fantasia · Haoweilai

Others

This mainly represents revenue from property project management and other related services. The revenue amounted to approximately RMB140 million for the six months ended 30 June 2021, representing a decrease of 45.7% as compared to approximately RMB258 million for the corresponding period of 2020, which was mainly due to the disposal of the business in manufacturing and sales of fuel pumps.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 26.7% to approximately RMB2,277 million for the six months ended 30 June 2021 from approximately RMB3,109 million for the corresponding period in 2020, while the Group's gross profit margin was approximately 20.8% for the six months ended 30 June 2021 as compared to a gross profit margin of approximately 33.6% for the corresponding period in 2020. The decrease in gross profit margin was mainly due to the higher land costs and capitalised interests from projects brought forward to the Period.



Other Gains and Losses

The Group recorded net other gains for the six months ended 30 June 2021 of approximately RMB438 million (the corresponding period in 2020: net other losses of approximately RMB246 million), which was due to the net exchange gains (factoring in the hedging results) of approximately RMB194 million (the corresponding period in 2020: net exchange losses of approximately RMB281 million) generated from the USD-denominated senior notes as a result of the appreciation of RMB.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2021 amounted to approximately RMB159 million, almost the same as those for the corresponding period in 2020 amounting to RMB156 million.

Administrative Expenses

The Group's administrative expenses increased by 9.5% to approximately RMB763 million for the six months ended 30 June 2021 from approximately RMB697 million for the corresponding period in 2020. The increase was primarily due to the increase in the daily administrative expense of the Group.

Finance Costs

The Group's finance costs increased by 19.6% to approximately RMB1,109 million for the six months ended 30 June 2021 from approximately RMB927 million for the corresponding period in 2020. The increase was primarily due to the increase in average balance of interest-bearing liabilities of the Group.

Income Tax Expense

The Group's income tax expense decreased by 30.4% to approximately RMB795 million for the six months ended 30 June 2021 from approximately RMB1,141 million for the corresponding period in 2020. The decrease was mainly due to a decrease in land appreciation tax as a result of the lower gross profit margin of property sales during the Period as compared to the corresponding period of 2020.

Liquidity, Financial and Capital Resources

Bank Balances and Cash Position

As at 30 June 2021, the Group's total bank balances and cash was approximately RMB31,583 million (31 December 2020: approximately RMB28,631 million), representing an increase of 10.3% as compared to that as at 31 December 2020. A part of our bank balances is restricted bank deposits and is for property development purposes only. Such restricted bank deposits will be discharged upon the completion of the respective property development relevant to such deposits.

Net Gearing Ratio

The net gearing ratio was 74.8% as at 30 June 2021 (31 December 2020: 75.0%). The net gearing ratio was calculated based on net debt (the total of its borrowings, senior notes and bonds and issued assets-backed securities ("ABS"), net of bank balances and cash (including restricted/pledged bank deposits)) over total equity. Through optimizing its equity structure and the stringent implementation measure for cash flow budget, the Group was able to maintain a reasonable proportion of long-term and short-term debt and the net gearing ratio as at the end of the Period was basically the same as that as at the end of last year.



“Unknown” Exhibition by Yin Xiuzhen at Fantasia · Zhi Art Museum

Borrowings and Charges on the Group’s Assets

As at 30 June 2021, the Group had borrowings, senior notes and bonds and ABS of approximately RMB16,850 million (31 December 2020: approximately RMB11,196 million) in total, approximately RMB34,370 million (31 December 2020: approximately RMB35,648 million) in total and approximately RMB268 million (31 December 2020: approximately RMB20 million) in total, respectively. Amongst the borrowings, approximately RMB8,478 million (31 December 2020: approximately RMB3,690 million) will be repayable within one year and approximately RMB8,372 million (31 December 2020: approximately RMB7,506 million) will be repayable after one year. Amongst the senior notes and bonds, approximately RMB10,986 million (31 December 2020: approximately RMB14,490 million) will be repayable within one year and approximately RMB23,384 million (31 December 2020: approximately RMB21,158 million) will be repayable after one year. Amongst the ABS, approximately RMB13 million (31 December 2020: approximately RMB20 million) will be repayable within one year and approximately RMB255 million (31 December 2020: nil) will be repayable after one year.

As at 30 June 2021, a substantial part of the Group’s borrowings was secured by properties of the Group. The senior notes were jointly and severally guaranteed by the pledge of shares of certain subsidiaries of the Group.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and cash, borrowings, lease liabilities and senior notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. During the current interim period, the Group has adopted foreign currency hedging instruments to achieve better management over foreign exchange effect to its operation.

Contingent Liabilities

(i) As at 30 June 2021, the Group had provided guarantees amounting to approximately RMB10,694 million (31 December 2020: approximately RMB12,843 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group’s properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests

thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the purchaser obtained the individual property ownership certificate. (ii) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2021, the Group's shares of such guarantees provided in respect of loans borrowed respectively by these joint ventures and associates amounted to approximately RMB935 million (31 December 2020: RMB1,683 million) and approximately RMB1,927 million (31 December 2020: RMB853 million). As the directors is of the opinion that the possibility of the default of the parties is remote and the fair value of guarantee contracts is insignificant, no provision for such guarantee contracts was recognised in the financial statements for the six months ended 30 June 2021.

Employees and Remuneration Policies

As at 30 June 2021, excluding the employees of communities managed on a commission basis under property operation

service segment, the Group had approximately 34,118 employees (31 December 2020: approximately 35,965 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice. Apart from salary payments, other staff benefits include contribution to the mandatory provident fund (for employees of Hong Kong Special Administrative Region of the PRC) and state-managed retirement pension scheme (for employees of Mainland China), a discretionary bonus program and a share option scheme.

The Company adopted a share option scheme on 27 October 2009. As at 30 June 2021, a total of 142,660,000 share options were granted. During the current interim period, 3,064,000 share options had lapsed and 2,387,000 share options had been exercised. As at 30 June 2021, the number of outstanding share options was 67,107,000.

INTERIM DIVIDEND

The Board had resolved that no interim dividend will be paid for the Period (the corresponding period in 2020: nil).



“Unknown” Exhibition by Yin Xiuzhen at Fantasia · Zhi Art Museum

BUSINESS REVIEW

Property Development

Contracted Sales

In the first half of 2021, in light of the changes in the real estate market and the development of the Pandemic in various regions, the Group made adjustments to its marketing strategies in a timely and flexible manner, and launched quality projects with unique characteristics of the Group's products, which attracted great attention and received extensive recognition from the market, driving the excellent sales performance of the Group.

During the first six months ended 30 June 2021 ("the Period"), the Group achieved total contracted sales of approximately RMB28.117 billion and contracted sales area of 1,736,003 sq.m., of which, approximately RMB25.448 billion was derived from the contracted sales of residences with contracted sales area of 1,621,545 sq.m., accounting for approximately 90.5% and 93.4% of the total contracted sales and total contracted sales area of properties of the Group in the first half of 2021, respectively; and approximately RMB2.669 billion was derived from contracted sales of urban complexes with contracted sales area of 114,458 sq.m., representing approximately 9.5% and 6.6% of total contracted sales and total contracted sales area of properties of the Group in the first half of 2021, respectively.



Chengdu Fantasia · Haoweilai

Contracted sales amount and area attributable to different product categories in the first half of 2021

Categories	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	25,448	90.5	1,621,545	93.4
Urban Complexes	2,669	9.5	114,458	6.6
Total	28,117	100.0	1,736,003	100.0

During the Period, the contracted sales contribution to the Group was mainly derived from sales in 21 cities, including Chengdu, Foshan, Hangzhou, Shaoxing, Beijing, Qingdao and Wuhan, and also from approximately 57 projects, including Chengdu Biyun Tianxi, Foshan Guangyayuan, Hangzhou Duiyuetian, Shaoxing Spring Breeze, Beijing Guoxiangfu and Zhengzhou Good Time. The Group continued to extend its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area in order to continuously expand its vertical strategic move in each metropolitan area and focus on key cities to achieve sustainable development.

Contracted sales amount and area in each region in the first half of 2021

Categories	Amount		Area	
	(RMB million)	%	(sq.m.)	%
South China	4,982	17.7	332,656	19.2
Southwest China	7,228	25.7	564,098	32.5
Central China	1,452	5.2	150,959	8.7
East China	9,652	34.3	344,183	19.8
North China	4,803	17.1	344,107	19.8
Total	28,117	100.0	1,736,003	100.0



Foshan Kaisa · Fantasia · Guangyayuan

South China

As one of the most open and economically dynamic regions in China, and where Guangdong-Hong Kong-Macao Greater Bay Area situates, South China has an important strategic position in China's overall development. In the first half of 2021, the Group proactively seized the historic significant opportunity to build an internationally first-class bay area and a world-class urban agglomeration, sparing no effort to promote the project development in the Guangdong-Hong Kong-Macao Greater Bay Area. Foshan Yunjing and Foshan Guangyayuan, the two Foshan projects, were well received in the market.

During the Period, the Group recorded total contracted sales of RMB4.982 billion and total contracted sales area of 332,656 sq.m. in cities such as Shenzhen, Foshan and Huizhou in the Guangdong-Hong Kong-Macao Greater Bay Area as well as Guilin in Guangxi province, contributing to approximately 17.7% and 19.2% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Southwest China

As an important economic hub in South-western China, the Chengdu-Chongqing Metropolitan Area shows its robust market demand for real estate and is one of the earliest important strategic markets of the Group. The Group has become one of the most influential brand developers in the region. In the first half of 2021, the Group's prominent projects in Chengdu such as Chengdu Biyun Tianxi continued their popularity, and the Group also achieved good sales for its Chongqing project, Hockney's Good Time.

During the Period, the Group recorded total contracted sales of RMB7.228 billion and total contracted sales area of 564,098 sq.m. in Chengdu, Ziyang, Chongqing, Kunming and other cities in Southwest China, contributing to approximately 25.7% and 32.5% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Central China

As the geographical center of the country, Central China is increasingly becoming an important force for the rise of the central part of the country with its advantages of convenient transportation and developed economy. In the first half of 2021, the Group's projects in Wuhan such as Blue Sky continued their popularity, while Zhengzhou Good Time in Henan province attracted many local residents, further improving its name recognition and brand reputation among the customers in the regional market.

During the Period, the Group recorded total contracted sales of RMB1.452 billion and total contracted sales area of 150,959 sq.m. in cities such as Wuhan and Zhengzhou in Central China, contributing to approximately 5.2% and 8.7% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

East China

East China is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growing potential in the region for a long time and invested heavily in high-turnover projects. Hangzhou Duiyuetian, Shaoxing Spring Breeze, Nantong Guangqi Garden and other projects received fervent response from the local residents, driving the excellent sales performance of the Group in the Yangtze River Delta Metropolitan Area in the first half of 2021.

During the Period, the Group recorded total contracted sales of RMB9.652 billion and total contracted sales area of 344,183 sq.m. in Nanjing, Suzhou, Nantong, Shanghai, Hangzhou, Ningbo, Shaoxing and other cities in East China, contributing to approximately 34.3% and 19.8% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

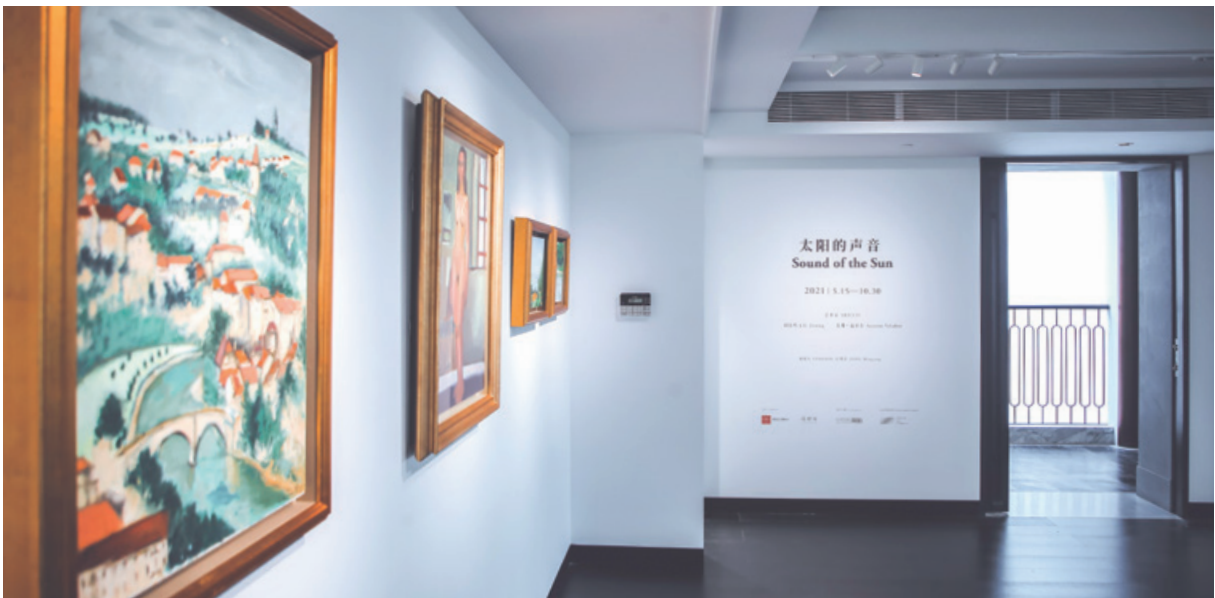
North China

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, several most economically-developed cities of which, such as Beijing, Tianjin and Qingdao, are the primary targets of the Group for sustainable development. In the first half of 2021, the Group rapidly promoted the construction and sales of projects in the region, and also newly acquired a parcel of land in Beijing, further expanding its influence in the region.

During the Period, the Group recorded total contracted sales of RMB4.803 billion and total contracted sales area of 344,107 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 17.1% and 19.8% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Newly Commenced Projects

During the Period, the Group commenced development of 14 projects or phases of projects with a total planned GFA of approximately 1,562,028 sq.m..



"Sound of the Sun" Exhibition at Shanghai Fantasia • Wunan396

Breakdown of newly commenced projects in the first half of 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA of newly commenced projects (sq.m.)
South China						
1	Huizhou Jiatianxia	Huiyang District, Huizhou	Residential and commercial land use	100.00%	2022	34,255
2	Foshan Yunjing	Shunde District, Foshan	Residential land use	35.00%	Completion by phases between 2022 and 2023	56,392
3	Foshan Guangyayuan	Nanhai District, Foshan	Residential and commercial land use	49.00%	2022	27,058
4	Foshan Good Time	Shunde District, Foshan	Residential and commercial land use	34.00%	2023	136,655
5	Land G of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	100.00%	2022	61,365
Southwest China						
6	Chengdu Haoweilai	Xinjin County, Chengdu	Residential and commercial land use	100.00%	2022	69,540
7	Chengdu Wanghuaxi (Formerly known as Chengdu Wenjiang 80 mu Project)	Wenjiang District, Chengdu	Residential land use	100.00%	2022	197,680
8	Ziyang Love Forever	Hi-tech District, Ziyang	Residential and commercial land use	91.00%	2023	143,397
9	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	2023	134,710
10	Kunming Haoweilai Land Lot No.3	Taiping New Town, Kunming	Residential land use	63.00%	2023	193,341

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA of newly commenced projects (sq.m.)
East China						
11	Nantong Guangqi Garden	Rugao, Nantong City	Residential land use	33.00%	2023	152,692
12	Ningbo Emerald Residence (Formerly known as Ningbo Qiubi Project)	Yinzhou District, Ningbo	Residential land use	49.00%	2023	93,929
13	Yangzhou Rongyuechunxiao	Hangji Town, Yangzhou	Residential land use	40.00%	2023	199,389
North China						
14	Beijing Pinnacle Mansion (Formerly known as Beijing Mentougou Project)	Mentougou District, Beijing	Residential and commercial land use	40.00%	2022年	61,626

Completed Projects

During the Period, the Group completed a total of 9 projects or phases of projects with a total GFA of approximately 1,266,308 sq.m..

Breakdown of completed projects in the first half of 2021

Region	Completed GFA (sq.m.)
South China	254,863
Southwest China	604,905
Central China	52,152
East China	199,977
North China	154,411

Projects Under Construction

As at 30 June 2021, the Group had a total of 47 projects or phases of projects under construction with a total GFA of 8,271,638 sq.m..

Breakdown of projects under construction as at 30 June 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
South China						
1	Shenzhen Jiastianxia	Dapeng New District, Shenzhen	Residential and commercial land use	10.00%	2022	116,682
2	Shenzhen Good Time	Pingshan District, Shenzhen	Residential and commercial land use	20.00%	2023	334,439
3	Huizhou Jiastianxia	Huiyang District, Huizhou	Residential and commercial land use	100.00%	2022	38,143
4	Huizhou Kangcheng Siji	Zhongkai District, Huizhou	Residential and commercial land use	100.00%	2022	76,685
5	Foshan Yunjing	Shunde District, Foshan	Residential land use	35.00%	Completion by phases between 2022 and 2023	147,015
6	Foshan Guangyayuan	Nanhai District, Foshan	Residential and commercial land use	49.00%	2022	256,611
7	Foshan Good Time	Shunde District, Foshan	Residential and commercial land use	34.00%	2023	136,655
8	Lands H and G of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	100.00%	Completion by phases between 2021 and 2022	413,105
9	Land D2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	70.00%	2022	135,493
Southwest China						
10	Chengdu Grande Valley	Pujiang County, Chengdu	Residential and commercial land use	70.00%	Completion by phases between 2021 and 2022	264,284
11	Chengdu Zhihui City	Chongzhou, Chengdu	Residential and commercial land use	100.00%	2021	172,461
12	Chengdu Jiastianxia	Shuangliu District, Chengdu	Residential and commercial land use	60.00%	2021	220,578
13	Chengdu Jiangshan	Qingbaijiang District, Chengdu	Residential and commercial land use	55.00%	Completion by phases between 2021 and 2022	464,638
14	Chengdu Yinweilai	Pidu District, Chengdu	Residential and commercial land use	50.00%	2022	67,459
15	Chengdu Biyun Tianxi	Tianfu New District, Chengdu	Residential and commercial land use	50.00%	Completion by phases between 2022 and 2023	239,657

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
16	Chengdu Haoweilai	Xinjin County, Chengdu	Residential and commercial land use	100.00%	2023	192,996
17	Chengdu Xifu Hongyun	Pujiang County, Chengdu	Residential and commercial land use	30.00%	2023	174,546
18	Chengdu Chunyu Xi'an	Pidu District, Chengdu	Residential and commercial land use	40.00%	2022	81,441
19	Chengdu Xiangmendi Shijia	Pidu District, Chengdu	Residential and commercial land use	50.00%	2022	59,244
20	Chengdu Wanghuaxi (Formerly known as Chengdu Wenjiang 80 mu Project)	Wenjiang District, Chengdu	Residential land use	100.00%	2022	197,680
21	Ziyang Love Forever	Hi-tech District, Ziyang	Residential and commercial land use	91.00%	2023	290,012
22	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	2023	134,710
23	Kunming Haoweilai Land Lot No.3	Taiping New Town, Kunming	Residential land use	63.00%	2023	193,341
24	Kunming Haoweilai Land Lot No.4	Taiping New Town, Kunming	Residential land use	58.00%	2023	285,771
Central China						
25	Wuhan Huahaoyuan (East Section)	Jiang'an District, Wuhan	Residential and commercial land use	100.00%	Completion by phases between 2022 and 2023	189,723
26	Wuhan Blue Sky	Dongxihu District, Wuhan	Residential and commercial land use	18.33%	30 September 2021	184,857
27	Wuhan Jinshanghua (West Section)	Jiang'an District, Wuhan	Residential and commercial land use	100.00%	30 December 2021	60,231
28	Ezhou Xiangmendi	Ge Shop Hi-tech District, Ezhou	Residential and commercial land use	37.00%	Completion by phases between 2021 and 2022	268,544
29	Zhengzhou Good Time	Shangjie District, Zhengzhou	Residential and commercial land use	51.00%	Completion by phases between 2022 and 2023	149,785

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
East China						
30	Nanjing Lishui Jiatianxia	Lishui Economic Development District, Nanjing	Residential and commercial land use	100.00%	2021	96,497
31	Nanjing Huahaoyuan	Jiangbei New District, Nanjing	Residential land use	65.00%	2022	79,806
32	Hangzhou 360 Project	Gongshu District, Hangzhou	Industrial and commercial land use	44.00%	2021	232,495
33	Hangzhou Duiyuetian	Jiangan District, Hangzhou	Residential land use	100.00%	2022	100,407
34	Ningbo Chaoyue Nantang	Haishu District, Ningbo	Residential land use	33.00%	2022	205,273
35	Ningbo Fenglinfu	Fenghua District, Ningbo	Residential land use	34.00%	2022	157,313
36	Ningbo Emerald Residence (Formerly known as Ningbo Qiubi Project)	Yinzhou District, Ningbo	Residential land use	49.00%	2023	93,881
37	Shaoxing Spring Breeze	Yuecheng District, Shaoxing	Residential land use	51.00%	2023	385,377
38	Nantong Guangqi Garden	Rugao, Nantong City	Residential land use	33.00%	2023	241,875
39	Yangzhou Rongyuechunxiao	Hangji Town, Yangzhou	Residential land use	40.00%	2023	199,389
North China						
40	Beijing Guoxiangfu	Miyun District, Beijing	Residential land use	22.50%	2022	177,524
41	Beijing Pinnacle Mansion (Formerly known as Beijing Mentougou Project)	Mentougou District, Beijing	Residential and commercial land use	40.00%	2022	61,626
42	Tianjin Love Forever	Wuqing District, Tianjin	Residential land use	70.00%	2021	62,872
43	Tianjin Jinshanghua	Wuqing District, Tianjin	Residential land use	51.00%	2021	137,418
44	Baoding Mancheng Project	Mancheng District, Baoding	Residential land use	51.00%	2022	64,525
45	Zhangjiakou Xingfu Wanxiang	Huailai County, Zhangjiakou	Commercial service land use	55.00%	Completion by phases between 2021 and 2022	235,108
46	Qingdao Blue Sky	Jiaozhou, Qingdao	Residential land use	53.00%	Completion by phases between 2022 and 2023	170,707
Overseas						
47	Parkwood Collection	Singapore	Residential land use	40%	2022	22,759

Projects Held for Development

As at 30 June 2021, the Group had a total of 18 projects or phases of projects held for development with a total GFA of approximately 3,592,442 sq.m..

Breakdown of projects held for development as at 30 June 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	GFA of projects held for development (sq.m.)
South China					
1	Shenzhen Meilin Yuehua Project	Futian District, Shenzhen	Emerging industrial land use	90.00%	126,610
2	Foshan Good Time	Shunde District, Foshan	Residential land use	34.00%	104,655
3	Land A2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential land use	100.00%	26,214
4	Land I2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	70.00%	147,583
Southwest China					
5	Chengdu Grande Valley	Pujiang County, Chengdu	Residential and commercial land use	70.00%	723,561
6	Chengdu Xifu Hongyun	Pujiang County, Chengdu	Residential and commercial land use	30.00%	134,567
7	Chengdu Shuangliu 105 mu Project	Shuangliu District, Chengdu	Residential and commercial land use	5.00%	186,000
8	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	43,518
9	Chongqing Huixing 123 mu Project	Yubei District, Chongqing	Residential and commercial land use	33.21%	146,983
10	Chongqing Hi-Tech 86 mu Project	Hi-Tech District, Chongqing	Residential land use	100.00%	118,549
11	Kunming Haoweilai	Taiping New Town, Kunming	Residential and commercial land use	63.00%	503,711
Central China					
12	Wuhan Hanzheng Street Project	Qiaokou District, Wuhan	Residential and commercial land use	50.00%	321,655
13	Phase II of Wuhan Jin Xiu Town	Hongshan District, Wuhan	Residential and commercial land use	50.10%	111,883
East China					
14	Ningbo Hangzhou Bay Jincheng Mingshi	Hangzhou Bay New District, Ningbo	Residential land use	90.00%	76,769
15	Hangzhou Pule 73 mu Project	Binjiang District, Hangzhou	Residential land use	41.65%	182,304
North China					
16	Beijing Miyun 88 mu Project	Miyun District, Beijing	Residential land use	22.50%	177,008
17	Tianjin Yingcheng Lake Project	Hangu District, Tianjin	Residential, tourism and commercial land use	100.00%	168,339
18	Zhangjiakou Xingfu Wanxiang	Huailai County, Zhangjiakou	Commercial service land use	55.00%	292,533

Land Bank

On 30 June 2021, the GFA of land bank for the Group's projects under construction and projects held for development amounted to approximately 11,864,080 sq.m..

DETAILS OF LAND BANK

Region	Projects under construction (sq.m.)	Projects held for development (sq.m.)	Aggregate GFA of land bank (sq.m.)
South China	1,654,828	405,062	2,059,889
Shenzhen	451,121	126,610	577,731
Huizhou	114,828	0	114,828
Foshan	540,281	104,655	644,935
Guilin	548,598	173,797	722,395
Southwest China	3,038,818	1,856,889	4,895,707
Chengdu	2,134,984	1,044,128	3,179,112
Ziyang	290,012	0	290,012
Chongqing	134,710	309,050	443,759
Kunming	479,112	503,711	982,823
Central China	853,140	433,538	1,286,678
Wuhan	703,355	433,538	1,136,893
Zhengzhou	149,785	0	149,785
East China	1,792,313	259,073	2,051,386
Nanjing	176,303	0	176,303
Hangzhou	332,902	182,304	515,206
Ningbo	456,467	76,769	533,236
Shaoxing	385,377	0	385,377
Nantong	241,875	0	241,875
Yangzhou	199,389	0	199,389
North China	909,780	637,880	1,547,660
Beijing	239,150	177,008	416,158
Tianjin	200,290	168,339	368,629
Baoding	64,525	0	64,525
Zhangjiakou	235,108	292,533	527,641
Qingdao	170,707	0	170,707
Overseas	22,759	0	22,759
Singapore	22,759	0	22,759
Total	8,271,638	3,592,442	11,864,080



Chengdu Fantasia · Haoweilai

Community services

Colour Life, a community services provider of the Group, continued to lead the development trend of the community services industry. Leveraging on its outstanding third-party expansion capability, and through acquisitions and mergers, Colour Life achieved rapid expansion and also built up strong team strength and market advantage. As at 30 June 2021, the Total Contracted GFA of Colour Life reached 564.9 million sq.m. in 279 cities across the country, providing services for 2,817 communities

During the Period, Colour Life was committed to improving its service quality. By employing the key approaches of “facility improvement, prompt response, customised services, stable performance”, Colour Life made improvements to the issues raised by the clients such as the external walls, fire-fighting conditions, lifts and other aspects of the projects, made prompt response to clients’ concerns, addressed physical hardware quality issues and soft service requests by the clients, and provided one-to-one customised services for the clients

via corporate WeChat account, making persistent efforts to foster customer loyalty. The Company also implemented a multi-dimensional management and control system and listened carefully to the expectation of the residents.

In addition, upholding the core principle of “building harmonious communities”, Colour Life organised a wide variety of community activities, with an aim to enrich the cultural activities of the community, promote neighbourhood relationship, improve the happiness of the residents and create interesting, loving and caring communities. The Group organised online annual parties for 419 projects managed by the Group during the 2021 Spring Festival, which have attracted 310,000 participants. The Group held the East Blink Day in May which lasted for two months and attracted over 2 million residents from more than 1,000 communities across the country, offering a good opportunity to promote neighbourhood relationship.

On the front of intelligent property management, Colour Life established the Technology R&D Center in the first half of 2021, with an aim to further enhance its R&D capability and promote the establishment of intelligent communities. Colour Life made improvement to the video surveillance, bluetooth entrance intercom, parking lots, patrol management, lift control and other sub-systems, and created various smart living scenarios, which enabled the residents to conveniently and at their own discretion utilise our security systems with good experience in their daily life.

In addition, in the face of the Pandemic and the summer flood disaster, the frontline staff from the property management arm of the Group spared no effort and worked around the clock to ensure community security and protect the safety of lives and properties of the residents, which has won extensive praise and recognition from the governments at all level and the residents.



“Unknown” Exhibition by Yin Xiuzhen at Fantasia · Zhi Art Museum

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION

As at 30 June 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying 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")) of the Company, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, 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") as contained in Appendix 10 to the Rules Governing the Listing of Securities in the Stock Exchange (the "Listing Rules") were as follows:

- (i) Long positions in the shares and underlying shares of the Company:

Director	Nature of interest	Interest in ordinary shares of the Company	Interest in underlying Shares of the Company	Approximate percentage of interest in the Company as at 30 June 2021
Ms. Zeng Jie, Baby	Interest of controlled corporation	3,314,090,500 ⁽¹⁾	–	57.41%
	Beneficial owner	–	9,980,000 ⁽²⁾	0.17%
Mr. Pan Jun	Beneficial owner	–	9,980,000 ⁽²⁾	0.17%
Mr. Ho Man	Beneficial owner	–	1,600,000 ⁽²⁾	0.03%

Notes:

- (1) Fantasy Pearl International Limited ("Fantasy Pearl") is owned as to 80% by Ice Apex Limited ("Ice Apex") and 20% by Graceful Star Overseas Limited ("Graceful Star"). Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) The relevant Directors were granted options to subscribe for such number of shares of the Company under the share option scheme of the Company on 29 August 2011.
- (3) As at 30 June 2021, the number of issued shares of the Company was 5,772,597,864.

(ii) Long positions in the debentures of the Company:

Name of Director	Nature of interest	Debentures that are interested in	Principal amount of the debentures held	Approximate percentage of the interest in the debentures as at 30 June 2021
Ms. Zeng Jie, Baby	Interest of controlled corporation	9.875% senior notes due 2023 issued by the Company	US\$3,000,000 ⁽¹⁾	0.94%
	Interest of controlled corporation	10.875% senior notes due 2024 issued by the Company	US\$4,000,000 ⁽²⁾	1.6%
Mr. Guo Shaomu	Beneficial owner	7.95% senior notes due 2022 issued by the Company	US\$200,000	0.067%

Notes:

- (1) The debentures are held by Fantasy Pearl, which is indirectly owned as to 80% by Ms. Zeng Jie, Baby.
(2) These comprise: (i) US\$2,000,000 held by Fantasy Pearl; and (ii) US\$2,000,000 held by Baocollection Limited, a company wholly owned by Ms. Zeng Jie, Baby.

(iii) Long positions in associated corporations:

A. Fantasy Pearl

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2021
Ms. Zeng Jie, Baby	Interest of controlled corporation	80 ⁽¹⁾	Ordinary	80%
Mr. Pan Jun	Interest of controlled corporation	20 ⁽²⁾	Ordinary	20%

Notes:

- (1) These are shares held by Ice Apex in Fantasy Pearl and Ice Apex is wholly owned by Ms. Zeng Jie, Baby.
(2) These are shares held by Graceful Star in Fantasy Pearl and Graceful Star is wholly owned by Mr. Pan Jun.

B. Colour Life Services Group Co., Limited (“Colour Life”)

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2021
Ms. Zeng Jie, Baby	Interest of controlled corporation ⁽¹⁾⁽²⁾⁽³⁾	982,640,851	Ordinary	67.54%
Mr. Pan Jun	Beneficial owner	1,755,440 ⁽⁴⁾	Ordinary	0.12%

Note:

- (1) The interests are held as to 756,245,031 shares by the Company, as to 224,163,455 shares by Splendid Fortune Enterprise Limited (“Splendid Fortune”) and as to 2,232,365 shares by Fantasy Pearl.
- (2) The Company is owned as to 57.41% by Fantasy Pearl, which is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by the Company for the purpose of Part XV of the SFO.
- (3) Splendid Fortune is 67.36% owned by Fantasy Pearl and 32.64% owned by Colour Success Limited. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by Splendid Fortune for the purpose of Part XV of the SFO.
- (4) These represent share options granted by Colour Life subject to vesting schedules.

C. Shenzhen Caizhiyun Network Technology Co., Ltd. (“Caizhiyun Network”)

Director	Nature of interest	Amount of equity interest held	Approximate percentage of interest in the associated corporation as at 30 June 2021
Mr. Pan Jun	Beneficial owner	RMB7,000,000 ⁽¹⁾	70%

Note:

- (1) Caizhiyun Network is owned as to 70% by Mr. Pan Jun and 30% by Mr. Tang Xuebin. The financial results of Caizhiyun Network have been consolidated and accounted for as a subsidiary of Colour Life by virtue of certain structured contracts, details of which are disclosed in the section headed “History, Reorganization and the Group Structure” in Colour Life’s prospectus dated 17 June 2014.

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Nature of interest	Number of shares	Approximate percentage of interest in our Company as at 30 June 2021
Fantasy Pearl	Beneficial owner	3,314,090,500 (L)	57.41%
Ice Apex ⁽¹⁾	Interest of controlled corporation	3,314,090,500 (L)	57.41%
TCL Technology Group Corporation ⁽²⁾ (formerly known as TCL Corporation)	Interest of controlled corporation	1,012,740,000 (L)	17.54%

(L) denotes long position

(S) denotes short position

Notes:

- (1) Fantasy Pearl is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at 30 June 2021, Li Rong Development Limited held 1,012,740,000 shares of the Company representing 17.54% interest in the Company. Li Rong Development Limited is wholly owned TCL Technology Investments Limited which is in turn wholly owned by TCL Technology Group Corporation. TCL Technology Group Corporation is deemed to be interested in the shares held by Li Rong Development Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as of 30 June 2021, no other shareholder, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance. During the Period, the Board is of the view that the Company has complied with all the code provisions under the Corporate Governance Code.

BOARD COMPOSITION

As at 30 June 2021, the Board consisted of a total of nine Directors, comprising five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. Save as the resignation of Dr. Liao Jianwen as the Independent non-executive Director on 12 May 2021, the composition of the Board remained the same as disclosed in the 2020 Annual Report and is set out on p. 2 of this report.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, including Mr. Ho Man (Chairman of the Audit Committee), Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu. The Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, the internal controls and financial reporting matters including a review of the unaudited interim results for the Period. The external auditors of the Company have also reviewed the unaudited interim results for the Period.

REMUNERATION COMMITTEE

The Company has established the remuneration committee (the "Remuneration Committee") in compliance with the Listing Rules 3.25 and 3.26. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Remuneration Committee on 12 March 2012. The revised terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The remuneration committee currently comprises one executive Director, Mr. Pan Jun, and three independent non-executive Directors, including Mr. Ho Man, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu (Chairman of the Remuneration Committee). The remuneration committee is responsible for making recommendations to the Board on the Company's remuneration policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

NOMINATION COMMITTEE

The Company has established the nomination committee (the "Nomination Committee") in compliance with the Listing Rules to fulfill the functions of reviewing the structure of and nominating suitable candidates to the Board. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Nomination Committee on 30 August 2013 and 27 March 2019. The revised terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee currently comprises two executive Directors, including Mr. Pan Jun (Chairman of Nomination Committee) and Ms. Zeng Jie, Baby; and three independent non-executive Directors, including Mr. Ho Man, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment and reappointment of Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (“Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company has made specific enquiry with all the Directors on whether the Directors have complied with the required standard as set out in the Model Code during the six months ended 30 June 2021 and all the Directors confirmed that they have complied with the Model Code throughout the Period.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 27 October 2009 (the “Share Option Scheme”). Particulars of share options outstanding under the Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2021 and share options granted, exercised, lapsed or cancelled under the Share Option Scheme during such period are as follows:

The summary below sets out the details of movement of options granted as at 30 June 2021 pursuant to the Share Option Scheme:

Name	Date of grant	Exercise price	Closing price of the shares on the date of grant	Balance as at 1 January 2021	Number of share option			Balance as at 30 June 2021	Note
					Granted during the period	Exercisable/ exercised during the period	Cancelled/ lapsed during the period		
Mr. Pan Jun	29 August 2011	0.836	0.82	4,990,000	-	-	-	4,990,000	(2)
	16 October 2012	0.8	0.77	4,990,000	-	-	-	4,990,000	(3)
Ms. Zeng Jie, Baby	29 August 2011	0.836	0.82	4,990,000	-	-	-	4,990,000	(2)
	16 October 2012	0.8	0.77	4,990,000	-	-	-	4,990,000	(3)
Mr. Ho Man	29 August 2011	0.836	0.82	800,000	-	-	-	800,000	(2)
	16 October 2012	0.8	0.77	800,000	-	-	-	800,000	(3)
Other employees	29 August 2011	0.836	0.82	5,885,000	-	1,750,000	-	4,135,000	(1)
	29 August 2011	0.836	0.82	27,936,500	-	471,240	12,618,760	14,846,500	(2)
	16 October 2012	0.8	0.77	40,115,700	-	166,200	13,383,800	26,565,700	(3)
Total				95,497,200	-	2,387,440	26,002,560	67,107,200	

Notes:

- (1) The share options are exercisable during the following periods:
- up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from 29 August 2011 to 28 August 2021 and after the grantee has satisfied the vesting conditions specified by the Board;
 - up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 29 August 2011 to 28 August 2021 and after the Grantee has satisfied the vesting conditions specified by the Board; and
 - up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 29 August 2011 to 28 August 2021 and after the Grantee has satisfied the vesting conditions specified by the Board.
- (2) The share options are exercisable during the following periods:
- up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from 29 August 2011 to 28 August 2021;
 - up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 29 August 2011 to 28 August 2021; and
 - up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 29 August 2011 to 28 August 2021.
- (3) The share options are exercisable during the following periods:
- up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from 16 October 2012 to 15 October 2022 and after the grantee has satisfied the vesting conditions specified by the Board;
 - up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 16 October 2012 to 15 October 2022 and after the grantee has satisfied the vesting conditions specified by the Board; and
 - up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 16 October 2012 to 15 October 2022 and after the Grantee has satisfied the vesting conditions specified by the Board.

Colour Life adopted a share option scheme on 11 June 2014 (“Colour Life Share Option Scheme”). Particulars of share options outstanding under the Colour Life Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2021 and share options granted, exercised, lapsed or cancelled under the Colour Life Share Option Scheme during such period are as follows:

Name of grantee	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30 June 2021	Notes
			Balance as at 1 January 2021	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period		
Directors								
Mr. Pan Jun	29 September 2014	6.66	547,790	–	–	–	547,790	(1)
			347,650	–	–	–	347,650	(2)
	30 April 2015	11.00	180,000	–	–	–	180,000	(3)
	18 March 2016	5.764	180,000	–	–	–	180,000	(4)
Mr. Tam Chun Hung, Anthony	27 November 2018	4.11	500,000	–	–	–	500,000	(6)
	29 September 2014	6.66	150,000	–	–	–	150,000	(1)
	30 April 2015	11.00	180,000	–	–	–	180,000	(3)
	18 March 2016	5.764	180,000	–	–	–	180,000	(4)
Mr. Xu Xinmin	27 November 2018	4.11	200,000	–	–	–	200,000	(6)
	29 September 2014	6.66	150,000	–	–	–	150,000	(1)
	30 April 2015	11.00	180,000	–	–	–	180,000	(3)
	18 March 2016	5.764	180,000	–	–	–	180,000	(4)
	27 November 2018	4.11	200,000	–	–	–	200,000	(6)
Sub-total			3,175,440	–	–	–	3,175,440	
Employees of the Group								
	29 September 2014	6.66	9,855,844	–	–	(1,974,078)	7,881,766	(1)
			9,772,880	–	–	(2,602,090)	7,170,790	(2)&(5)
	30 April 2015	11.00	12,880,936	–	–	(1,688,594)	11,192,342	(3)
	18 March 2016	5.764	13,537,804	–	–	(1,775,404)	11,762,400	(4)
	27 November 2018	4.11	18,564,720	–	–	(1,900,000)	16,664,720	(6)
Sub-total			64,612,184	–	–	(9,940,166)	54,672,018	
Total			67,787,624	–	–	(9,940,166)	57,847,458	

Notes:

- (1) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the date of grant; (ii) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; and (iii) the remaining one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016. The exercise period of these share options will expire on 28 September 2024.
- (2) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 29 September 2017. The exercise period of these share options will expire on 28 September 2024.
- (3) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 30 April 2016; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 30 April 2017; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 30 April 2018. The exercise period of these share options will expire on 29 April 2025.
- (4) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 18 March 2017; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 18 March 2018; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 18 March 2019. The exercise period of these share options will expire on 17 March 2026.
- (5) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 27 November 2019; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 27 November 2020; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 27 November 2021. The exercise period of these share options will expire on 17 March 2028.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Senior Notes and Bonds

On 10 February 2021, the Company issued additional US\$150,000,000 11.875% senior notes due 2023 (the "February 11.875% Additional Senior Notes Due 2023"), which was consolidated and form a single series with the US\$300,000,000 11.875% senior notes due 2023 issued on 1 June 2020, for the purpose of refinancing certain of its indebtedness. Further details relating to the issue of the February 11.875% Additional Senior Notes Due 2023 are disclosed in the announcement of the Company dated 11 February 2021.

On 19 February 2021, the Company has completed the offer to purchase for cash of its outstanding 8.375% senior notes due 2021 (the "8.375% Senior Notes Due 2021") of an aggregate of US\$141,209,000 in principal amount of the 8.375% Senior Notes Due 2021, representing approximately 29.39% of the total outstanding amount of the 8.375% Senior Notes Due 2021. Subsequently, the Company has repaid the aggregate amount of the 8.375% Senior Notes Due 2021 remained outstanding thereafter upon its maturity on 8 March 2021.

On 2 March 2021, the Company issued senior notes due 2024 with principal amount of US\$250,000,000 at a coupon rate of 10.875% per annum (the "10.875% Senior Notes due 2024") for the purpose of refinancing certain of its indebtedness. Details of the 10.875% Senior Notes due 2024 are disclosed in the announcement of the Company dated 3 March 2024.

On 17 March 2021, the Company issued senior notes due 2023 with principal amount of US\$50,000,000 at a coupon rate of 14.5% per annum for the purpose of refinancing certain of its indebtedness.

On 1 June 2021, the Company has completed the offer to purchase for cash of its outstanding 7.375% senior notes due 2021 (the "7.375% Senior Notes due 2021") of an aggregate of US\$100,000,000 in principal amount of the 7.375% Senior Notes due 2021. Subsequently, the Company has made another offer to purchase for cash of the outstanding 7.375% Senior Notes due 2021 on 17 June 2021 and has settled the aggregate of US\$187,844,000 in principal amount of the 7.375% Senior Notes due 2021.

On 3 June 2021, the Company issued additional US\$100,000,000 11.875% senior notes due 2023, which was consolidated and form a single series with the US\$450,000,000 11.875% Senior Notes due 2023 issued by the Company on 1 June 2020 and 10 February 2021, for the purpose of refinancing certain of its indebtedness.

On 16 June 2021, the Company issued senior notes due 2024 with principal amount of US\$200,000,000 at a coupon rate of 14.5% per annum (the “14.5% Senior Notes due 2024”) for the purpose of refinancing certain of its indebtedness.

During the six months period ended 30 June 2021, the Company has made on-market repurchases of parts of its senior notes in an aggregated principal amount of US\$50.1 million, comprising: (i) part of the outstanding 10.875% Senior Notes due 2023 in an aggregate principal amount of US\$3,200,000 representing approximately 0.71% of the 10.875% Senior Notes due 2023 at the time of initial listing; (ii) part of the outstanding 11.875% senior notes due 2023 in an aggregate principal amount of US\$7,000,000 representing approximately 1.27% of the 11.875% senior notes due 2023 at the time of initial listing; (iii) part of the outstanding July 2023 Notes in an aggregate principal amount of US\$6,500,000 representing approximately 1.86% of the July 2023 Notes at the time of initial listing; (iv) part of the outstanding October 2023 Notes in an aggregate principal amount of US\$15,000,000 representing approximately 4.69% of the October 2023 Notes at the time of initial listing; and (v) part of the outstanding March 2024 Notes in an aggregate principal amount of US\$18,400,000 representing approximately 7.36% of the March 2024 Notes at the time of initial listing (collectively the “Repurchased Notes”). The Repurchased Notes have been cancelled on 30 June 2021. Details please refer to the Company’s announcement dated 7 July 2021.



TO THE BOARD OF DIRECTORS OF FANTASIA HOLDINGS GROUP CO., LIMITED

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Fantasia Holdings Group Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 43 to 87, which comprise the condensed consolidated statement of financial position as of 30 June 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 certain explanatory notes. 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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 August 2021

For the six months ended 30 June 2021

	NOTES	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue			
Contracts with customers	3	10,803,384	9,044,252
Leases		148,310	197,243
Total revenue		10,951,694	9,241,495
Cost of sales and services		(8,674,437)	(6,132,801)
Gross profit	4	2,277,257	3,108,694
Other income		107,554	106,778
Other gains and losses		437,802	(245,804)
Impairment losses under expected credit loss model, net of reversal	17	(16,959)	(32,392)
Change in fair value of investment properties	11	321,109	103,413
Selling and distribution expenses		(158,981)	(155,501)
Administrative expenses		(763,030)	(696,795)
Finance costs		(1,109,138)	(927,120)
Share of results of associates		1,223	6,406
Share of results of joint ventures		7,627	(12,276)
(Loss) gain on disposal of subsidiaries	25	(6,733)	162,595
Profit before tax	6	1,097,731	1,417,998
Income tax expense	5	(794,795)	(1,141,398)
Profit for the period		302,936	276,600
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Fair value gain (loss) on hedging instruments designated as cash flow hedges		16,468	(5,839)
Items that will not be reclassified subsequently to profit or loss:			
Fair value (loss) gain on equity instruments designated at fair value through other comprehensive income ("FVTOCI")		(7,173)	3,090
Deferred taxation effect		1,793	(773)
		(5,380)	2,317
Other comprehensive income (expense) for the period, net of income tax		11,088	(3,522)
Total comprehensive income for the period		314,024	273,078
Profit for the period attributable to:			
Owners of the Company		152,755	96,238
Other non-controlling interests		150,181	180,362
		302,936	276,600
Total comprehensive income for the period attributable to:			
Owners of the Company		166,426	91,596
Other non-controlling interests		147,598	181,482
		314,024	273,078
Earnings per share – basic (RMB cents)	8	2.65	1.67
Earnings per share – diluted (RMB cents)	8	2.64	1.66

Condensed Consolidated Statement of Financial Position

At 30 June 2021

	NOTES	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,125,014	1,216,526
Right-of-use assets	10	641,131	697,905
Investment properties	11	9,746,425	10,298,393
Interests in associates		3,517,100	3,562,881
Interests in joint ventures		4,831,601	3,369,445
Equity instruments designated at FVTOCI		47,409	54,582
Goodwill	12	2,753,853	2,329,732
Intangible assets	13	1,032,904	953,461
Other receivables	16	703,763	679,358
Contract assets	15	6,733	14,572
Amounts due from related parties	30(b)	365,979	768,889
Pledged bank deposits		540,394	560,000
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures		3,652,205	4,074,195
Deferred tax assets		665,731	746,467
		29,630,242	29,326,406
CURRENT ASSETS			
Properties for sale	14	38,597,073	32,709,730
Contract assets	15	823,621	801,968
Contract costs		392,384	348,236
Trade and other receivables	16	5,096,657	9,097,375
Tax recoverable		32,501	114,384
Amounts due from related parties	30(b)	4,007,154	5,080,621
Restricted/pledged bank deposits		3,864,440	3,148,103
Bank balances and cash		27,177,862	24,923,383
		79,991,692	76,223,800
		109,621,934	105,550,206

Condensed Consolidated Statement of Financial Position

At 30 June 2021

	NOTES	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	19	10,223,994	7,926,045
Contract liabilities		12,157,490	17,264,645
Derivative financial instruments	18	99,114	193,780
Amounts due to related parties	30(b)	1,156,859	817,461
Tax liabilities		6,450,912	6,464,480
Borrowings due within one year	20	8,478,383	3,690,034
Lease liabilities due within one year		67,667	87,234
Senior notes and bonds due within one year	21	10,986,416	14,489,978
Asset-backed securities issued	22	12,581	20,206
Provisions		–	31,184
		49,633,416	50,985,047
NET CURRENT ASSETS			
		30,358,276	25,238,753
TOTAL ASSETS LESS CURRENT LIABILITIES			
		59,988,518	54,565,159
NON-CURRENT LIABILITIES			
Derivative financial instruments	18	21,231	688
Deferred consideration	19	32,242	–
Deferred tax liabilities		1,076,692	1,310,494
Borrowings due after one year	20	8,371,958	7,505,897
Lease liabilities due after one year		232,941	265,959
Senior notes and bonds due after one year	21	23,383,819	21,158,479
Asset-backed securities issued	22	255,000	–
		33,373,883	30,241,517
NET ASSETS			
		26,614,635	24,323,642
CAPITAL AND RESERVES			
Share capital	23	498,787	498,588
Reserves		13,838,952	14,030,208
Equity attributable to owners of the Company		14,337,739	14,528,796
Non-controlling interests		12,276,896	9,794,846
		26,614,635	24,323,642

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company										Attributable to non-controlling interests				
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Share-based payments reserve RMB'000	Contribution reserve RMB'000	Statutory reserve and discretionary reserve RMB'000	Revaluation reserve RMB'000	Hedging reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Share-based payments reserve of Colour Life RMB'000	Share-based payments reserve of Morning Star RMB'000	Other non-controlling interests RMB'000	Subtotal RMB'000	Total RMB'000
At 1 January 2021 (audited)	498,588	890,358	1,169,342	14,353	40,600	321,390	9,589	11,145	11,573,431	14,528,796	240,374	-	9,554,472	9,794,846	24,323,642
Profit for the period	-	-	-	-	-	-	-	-	152,755	152,755	-	-	150,181	150,181	302,936
Fair value change on hedging instruments designated as cash flow hedges	-	-	-	-	-	-	-	16,468	-	16,468	-	-	-	-	16,468
Fair value gain on equity instruments designated at FVTOCI	-	-	-	-	-	-	(3,729)	-	-	(3,729)	-	-	(3,444)	(3,444)	(7,173)
Deferred taxation effect	-	-	-	-	-	-	932	-	-	932	-	-	861	861	1,793
Other comprehensive (expense) income for the period	-	-	-	-	-	-	(2,797)	16,468	-	13,671	-	-	(2,583)	(2,583)	11,088
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(2,797)	16,468	152,755	166,426	-	-	147,598	147,598	314,024
Issue of shares upon exercise of share options of the Company	199	1,963	-	(493)	-	-	-	-	-	1,669	-	-	-	-	1,669
Dividend declared to shareholders of the Company (note 7)	-	(342,315)	-	-	-	-	-	-	-	(342,315)	-	-	-	-	(342,315)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(65,167)	(65,167)	(65,167)
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	1,787,429	1,787,429	1,787,429
Recognition of equity-settled share-based payments (note 27)	-	-	-	-	-	-	-	-	-	-	1,330	-	-	1,330	1,330
Acquisition of subsidiaries (note 24)	-	-	-	-	-	-	-	-	-	-	-	-	808,936	808,936	808,936
Acquisition of additional interests in subsidiaries from non-controlling shareholders	-	-	(78,998)	-	-	-	-	-	62,161	(16,837)	-	-	(184,900)	(184,900)	(201,737)
Disposal of subsidiaries (note 25)	-	-	-	-	-	-	-	-	-	-	-	-	(13,176)	(13,176)	(13,176)
Transfer	-	-	-	-	-	61,297	-	-	(61,297)	-	-	-	-	-	-
At 30 June 2021 (unaudited)	498,787	550,006	1,090,344	13,860	40,600	382,687	6,792	27,613	11,727,050	14,337,739	241,704	-	12,035,192	12,276,896	26,614,635
At 1 January 2020 (audited)	498,359	1,174,950	1,090,196	16,264	40,600	235,804	8,471	439	10,671,159	13,736,242	233,676	5,744	6,616,326	6,855,746	20,591,988
Profit for the period	-	-	-	-	-	-	-	-	96,238	96,238	-	-	180,362	180,362	276,600
Fair value change on hedging instruments designated as cash flow hedges	-	-	-	-	-	-	-	(5,839)	-	(5,839)	-	-	-	-	(5,839)
Fair value gain on equity instruments designated at FVTOCI	-	-	-	-	-	-	1,597	-	-	1,597	-	-	1,493	1,493	3,090
Deferred taxation effect	-	-	-	-	-	-	(400)	-	-	(400)	-	-	(373)	(373)	(773)
Other comprehensive income (expense) for the period	-	-	-	-	-	-	1,197	(5,839)	-	(4,642)	-	-	1,120	1,120	(3,522)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	1,197	(5,839)	96,238	91,596	-	-	181,482	181,482	273,078
Issue of shares upon exercise of share options of the Company	68	645	-	(154)	-	-	-	-	-	559	-	-	-	-	559
Dividend distributed to shareholders of the Company (note 7)	-	(288,384)	-	-	-	-	-	-	-	(288,384)	-	-	-	-	(288,384)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(65,752)	(65,752)	(65,752)
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	5,088	5,088	5,088
Recognition of equity-settled share-based payments (note 27)	-	-	-	-	-	-	-	-	-	-	3,349	-	-	3,349	3,349
Disposal of subsidiaries (note 25)	-	-	-	-	-	-	-	-	5,744	5,744	-	(5,744)	(142,580)	(148,324)	(142,580)
Transfer	-	-	-	-	-	57,039	-	-	(57,039)	-	-	-	-	-	-
At 30 June 2020 (unaudited)	498,427	887,211	1,090,196	16,110	40,600	292,843	9,668	(5,400)	10,716,102	13,545,757	237,025	-	6,594,564	6,831,589	20,377,346

For the six months ended 30 June 2021

Notes:

- (a) Special reserve arising from the acquisition or disposal of equity interests in subsidiaries without loss of control. It represented the difference between the consideration paid or received and the adjustment to the non-controlling interests in subsidiaries.
- (b) Contribution reserve represented (a) the contribution/distribution to shareholders during the group reorganisation in 2009; (b) the difference between consideration paid and fair value of net assets acquired from related parties; (c) the difference between the consideration received and carrying amount of net assets disposed to related parties during the Group reorganisation in 2009; and (d) the waiver of shareholder loans in 2009.
- (c) The statutory reserve and discretionary reserve attributable to subsidiaries in the People's Republic of China (the "PRC") are non-distributable. Transfers to these reserves are determined by the board of directors or the shareholders' meeting of the PRC subsidiaries in accordance with the relevant laws and regulations of the PRC. These reserves can be used to offset accumulated losses, expand the scale of production and business and transfer to capital upon approval from relevant authorities.
- (d) Share-based payments reserves of Colour Life Service Group Co., Limited ("Colour Life") and Morning Star Group Limited ("Morning Star") represent the share-based payment under the share option schemes of Colour Life and Morning Star, both of which were subsidiaries of the Company. During the six months ended 30 June 2020, upon the completion of disposal of the Group's 100% equity interests in Morning Star, the related share option reserves were transferred to accumulated profits accordingly, details are set out in note 25.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	NOTES	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		1,622,682	2,554,051
(Increase) decrease in properties for sale		(238,635)	47,313
Decrease (increase) in trade and other receivables		792,581	(44,614)
Increase in trade and other payables		1,615,772	1,509,734
(Decrease) increase in contract liabilities		(4,918,936)	423,588
Others		(54,791)	(292,636)
Cash (used in) generated from operations		(1,181,327)	4,197,436
Income tax paid		(922,421)	(652,127)
Interest paid		(2,195,950)	(1,322,504)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES		(4,299,698)	2,222,805
INVESTING ACTIVITIES			
Placement of restricted/pledged bank deposits		(1,956,072)	(7,532,560)
Withdrawal of restricted/pledged bank deposits		1,478,087	7,421,401
Settlement of consideration payables of acquisition of subsidiaries in prior years		(20,276)	(851,353)
Settlement of consideration receivables of disposal of subsidiaries in prior years		1,932,418	–
Purchases of property, plant and equipment		(79,628)	(171,278)
Proceeds from disposal of property, plant and equipment		56,640	3,296
Additions to investment properties		(210,729)	(452,427)
Proceeds from disposal of investment properties		1,171,374	119,908
Redemption of financial assets at FVTPL		–	33,567
Proceeds from disposal of equity instruments designated at FVTOCI		–	5,000
Capital injection to associates and joint ventures		(1,099,129)	(181,065)
Disposal of associates and joint ventures		20,594	1,213
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	24	109,067	–
Deposits paid for potential acquisition of subsidiaries and investments in associates and joint ventures		(518,891)	(232,175)
Deposit refunded for acquisition of subsidiaries		–	595
Disposal of subsidiaries (net of cash and cash equivalent disposed of)	25(a)	–	(9,196)
Disposal of partial interests in subsidiaries resulting in loss of control	25(b)	(279,756)	(2,776)
Dividend received from joint ventures and associates		82,952	22,891
Interest received		53,609	62,739
Advance of loan receivables		(2,400)	(90,399)
Repayment of loan receivables		192,565	42,380
Advances to related parties		(3,922,144)	(2,799,746)
Repayment from related parties		5,326,918	1,092,907
NET CASH FROM (USED IN) INVESTING ACTIVITIES		2,335,199	(3,517,078)

For the six months ended 30 June 2021

	NOTES	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
FINANCING ACTIVITIES			
Net proceeds from the issuance of senior notes, bonds and asset-backed securities issued	21 & 22	5,052,333	5,904,977
Repayment of senior notes and bonds	21	(3,170,611)	(708,730)
Repurchase/early redemption of senior notes and bonds	21	(2,812,926)	(596,239)
Repayment of principal receipts under securitisation arrangements	22	(12,980)	(34,500)
New borrowings raised	20	8,496,779	4,198,201
Repayment of borrowings	20	(4,818,186)	(5,368,974)
Repayment of lease liabilities		(44,058)	(50,978)
Issue of shares upon exercise of share options	27	1,669	559
Dividend paid to non-controlling shareholders of the subsidiaries		(4,177)	–
Contributions from non-controlling shareholders of the subsidiaries		1,787,429	5,088
Acquisition of additional interest in subsidiaries		(144,401)	–
Advances from related parties		2,360,782	696,653
Repayments to related parties		(2,294,559)	(708,249)
Other financing cash flows		(168,089)	(8,876)
NET CASH FROM FINANCING ACTIVITIES		4,229,005	3,328,932
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,264,506	2,034,659
CASH AND CASH EQUIVALENTS AT THE BEGINNING			
OF THE PERIOD		24,923,383	20,379,733
Effect of foreign exchange rate changes		(10,027)	402
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash		27,177,862	22,414,794

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to HKFRSs in the current interim 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.

For the six months ended 30 June 2021

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”

Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (ie the basis immediately preceding the change).

Transition and summary of effects

As at 1 January 2021 and 30 June 2021, the Group has several financial liabilities, including borrowings amounting to RMB143,548,000 and RMB1,098,439,000, respectively, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for borrowings measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group’s consolidated financial statements for the year ending 31 December 2021.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Segment	For the period ended 30 June 2021						Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)		
Types of goods and services							
<i>Property development</i>							
Sales of completed properties	8,335,628	–	–	–	–	8,335,628	
Construction of properties	18,303	–	–	–	–	18,303	
<i>Property agency services</i>							
Provision of property agency services	–	39,522	–	–	–	39,522	
<i>Property operation services</i>							
Provision of property management services	–	–	1,995,592	–	–	1,995,592	
Provision of value-added services	–	–	197,580	–	–	197,580	
Provision of engineering services	–	–	36,167	–	–	36,167	
<i>Hotel operations</i>							
Provision of hotel accommodation services	–	–	–	40,345	–	40,345	
<i>Others</i>							
Property project management and other related services	–	–	–	–	140,247	140,247	
	8,353,931	39,522	2,229,339	40,345	140,247	10,803,384	
Timing of revenue recognition							
A point in time	8,335,628	39,522	–	–	–	8,375,150	
Over time	18,303	–	2,229,339	40,345	140,247	2,428,234	
	8,353,931	39,522	2,229,339	40,345	140,247	10,803,384	

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue disclosed in segment information	8,353,931	148,310	39,522	2,759,408	40,345	409,669	11,751,185
Elimination	–	–	–	(530,069)	–	(269,422)	(799,491)
Leases	–	(148,310)	–	–	–	–	(148,310)
Revenue from contracts with customers	8,353,931	–	39,522	2,229,339	40,345	140,247	10,803,384

For the six months ended 30 June 2021

3. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers (continued)

Segment	For the period ended 30 June 2020						Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)		
Types of goods and services							
<i>Property development</i>							
Sales of completed properties	6,417,144	–	–	–	–	6,417,144	
Construction of properties	213,647	–	–	–	–	213,647	
<i>Property agency services</i>							
Provision of property agency services	–	7,423	–	–	–	7,423	
<i>Property operation services</i>							
Provision of property management services	–	–	1,905,058	–	–	1,905,058	
Provision of value-added services	–	–	142,683	–	–	142,683	
Provision of engineering services	–	–	76,541	–	–	76,541	
<i>Hotel operations</i>							
Provision of hotel accommodation services	–	–	–	23,507	–	23,507	
<i>Others</i>							
Manufacturing and sales of fuel pumps	–	–	–	–	219,058	219,058	
Provision of travel agency services	–	–	–	–	39,191	39,191	
	6,630,791	7,423	2,124,282	23,507	258,249	9,044,252	
Timing of revenue recognition							
A point in time	6,417,144	7,423	–	–	219,058	6,643,625	
Over time	213,647	–	2,124,282	23,507	39,191	2,400,627	
	6,630,791	7,423	2,124,282	23,507	258,249	9,044,252	

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue disclosed in segment information	6,634,740	197,243	7,423	2,178,984	23,507	258,249	9,300,146
Elimination	(3,949)	–	–	(54,702)	–	–	(58,651)
Leases	–	(197,243)	–	–	–	–	(197,243)
Revenue from contracts with customers	6,630,791	–	7,423	2,124,282	23,507	258,249	9,044,252

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2021

Segment revenue (Unaudited)	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue	8,353,931	148,310	39,522	2,759,408	40,345	409,669	11,751,185
Segment results	602,534	465,673	11,890	474,506	(6,898)	200,656	1,748,361

Six months ended 30 June 2020

Segment revenue (Unaudited)	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Others RMB'000 (note)	Total RMB'000
Segment revenue	6,634,740	197,243	7,423	2,178,984	23,507	258,249	9,300,146
Segment results	1,737,628	295,674	(7,667)	407,873	(15,013)	(15,083)	2,403,412

Note: For the six months ended 30 June 2021, others are engaged in provision of property project management services. For the six months ended 30 June 2020, others are engaged in provision of travel agency services and manufacturing and sale of fuel pumps.

Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of exchange gain (loss), interest income, change in fair value of financial assets at FVTPL and derivative financial instruments, finance costs, share of results of associates and joint ventures, gain (loss) on disposal of subsidiaries and associates, gain on remeasurement, gain on repurchase/early redemption of senior notes and asset-backed securities issued, certain other income, gains and losses, finance costs, central administration costs, directors' salaries and share-based payment expenses. This is the measure reported to the directors of the Company, the chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

For the six months ended 30 June 2021

4. SEGMENT INFORMATION (continued)

Reconciliation:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total segment profit	1,748,361	2,403,412
Unallocated amounts:		
Interest income	77,663	85,003
Net exchange gain (loss)	193,580	(281,161)
Change in fair value of financial assets at FVTPL	–	27,516
Share-based payment expenses	(1,330)	(3,349)
Finance costs	(1,109,138)	(927,120)
Share of results of associates and joint ventures	8,850	(5,870)
(Loss) gain on disposal of subsidiaries	(6,733)	162,595
Gain on remeasurement of interests in associates	179,735	–
Net gain on repurchase and early redemption of senior notes and asset-backed securities issued	71,569	4,817
Other unallocated other income, gains and losses	(8,734)	2,079
Other unallocated expenses	(56,092)	(49,924)
Profit before tax	1,097,731	1,417,998

The following is an analysis of the Group's assets by reportable and operating segments:

	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Property development	43,500,639	39,980,195
Property investment	9,796,313	10,336,549
Property agency services	20,426	20,047
Property operation services	6,591,625	7,862,323
Hotel operations	930,993	989,327
Others	190,073	209,819
Total segment assets	61,030,069	59,398,260
Total unallocated assets	48,591,865	46,151,946
Group's total assets	109,621,934	105,550,206

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, equity instruments designated at FVTOCI, deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures, amounts due from related parties, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax in the PRC		
PRC enterprise income tax	650,136	604,093
LAT	326,225	608,067
	976,361	1,212,160
Deferred tax		
Credit to profit and loss	(181,566)	(70,762)
	794,795	1,141,398

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Net exchange (gain) loss	(304,014)	336,826
Fair value change on hedging instruments	110,434	(55,665)
	(193,580)	281,161
Government grant and partial exemption of PRC value-added tax (included in other income)	(29,891)	(21,775)
Interest income (included in other income)	(77,663)	(85,003)
Net gain on repurchase, early redemption and modification of senior notes and bonds (included in other gains and losses)	(71,569)	(4,817)
Loss on disposal of associates and joint ventures (included in other gains and losses)	7,441	–
(Gain) loss on disposal of plant, property and equipment (included in other gains and losses)	(1,652)	767
Depreciation of property, plant and equipment (note 9)	129,261	156,951
Depreciation of right-of-use assets (note 10)	41,999	41,989
Amortisation of intangible assets (note 13)	71,842	69,798
Staff costs	1,200,867	1,287,126

For the six months ended 30 June 2021

7. DIVIDENDS

During the six months ended 30 June 2021, a final dividend in respect of the year ended 31 December 2020 of HK\$7.05 cents, equivalent to RMB5.93 cents (2020: final dividend in respect of the year ended 31 December 2019 of HK\$5.50 cents, equivalent to RMB5.0 cents) per share was declared. Subsequent to 30 June 2021, RMB342,315,000 (2020: RMB288,384,000) was paid to the owners of the Company.

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

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	152,755	96,238
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,772,200	5,767,840
Effect of dilutive potential ordinary shares:		
Share options	17,957	33,173
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,790,157	5,801,013

The computation of diluted earnings per share for the six months ended 30 June 2021 and 2020 does not take into account the effect of the share options granted by Colour Life, a non wholly-owned subsidiary of the Company, since the exercise price of the share options was higher than the average market price of the Colour Life's shares.

The computation of diluted earnings per share for the six months ended 30 June 2020 does not take into account the effect of the share options granted by Morning Star, a wholly owned subsidiary of the Company, since Morning Star was loss-making for that period and the exercise of share options would result in an increase in earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the six months ended 30 June 2021 are summarised as follows:

	RMB'000
At 31 December 2020 (Audited)	1,216,526
Additions	89,228
Acquisition of subsidiaries (note 24)	3,509
Disposals	(54,988)
Depreciation for the period	(129,261)
At 30 June 2021 (Unaudited)	1,125,014

10. RIGHT-OF-USE ASSETS

The movements in right-of-use assets during the six months ended 30 June 2021 are summarised as follows:

	RMB'000
At 1 January 2021 (Audited)	697,905
Inception of lease	5,783
Termination of lease	(20,558)
Depreciation for the period	(41,999)
At 30 June 2021 (Unaudited)	641,131

For the six months ended 30 June 2021

11. INVESTMENT PROPERTIES

The movements in investment properties during the six months ended 30 June 2021 are summarised as follows:

	Completed investment properties RMB'000	Investment properties under construction RMB'000	Total RMB'000
At 31 December 2020 (Audited)	8,699,993	1,598,400	10,298,393
Additions	–	283,717	283,717
Net change in fair value recognised in profit or loss	271,221	49,888	321,109
Transfer from completed properties for sale	14,580	–	14,580
Transfer upon completion of construction work	639,805	(639,805)	–
Disposals	(1,171,374)	–	(1,171,374)
At 30 June 2021 (Unaudited)	8,454,225	1,292,200	9,746,425

As at 30 June 2021, the fair value of the Group's completed investment properties of RMB8,454,225,000 (31 December 2020: RMB8,699,993,000) and investment properties under development of RMB1,292,200,000 (31 December 2020: RMB1,598,400,000) were arrived at on the basis of a valuation carried out by Jones Lang LaSalle Sallmanns Limited, an independent qualified professional valuers which are not connected with the Group, which has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuation of completed investment properties are determined by income capitalisation method and direct comparison method. Income capitalisation method is arrived at by reference to net rental income allowing for reversionary income potential and market evidence of transaction prices for similar properties in the same locations and conditions, where appropriate. The valuations of investment properties under construction are arrived at by residual method and direct comparison method, which is based on market observable transactions of similar properties and taken into account the construction costs that will be expended to complete the development. Direct comparison method is arrived at by reference to comparable market transactions and presuppose that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowance for variable factors.

12. GOODWILL

The movements in goodwill during the six months ended 30 June 2021 are summarised as follows:

	RMB'000
At 1 January 2021 (Audited)	2,329,732
Arising on acquisition of property operation businesses (note 24)	424,121
<hr/>	
At 30 June 2021 (Unaudited)	2,753,853

For the purpose of impairment testing, goodwill above has comprised a group of subsidiaries in property operation services collectively as the property operation cash-generating units ("Property Operation CGU").

The recoverable amounts of Property Operation CGU have been determined based on a value in use calculation. The calculation uses cash flow projection based on financial budgets approved by the management covering a five-year period, including the growth rates, the pre-tax discount rates, estimated revenue, estimated gross profit, estimated operating expenses as at 30 June 2021 and 31 December 2020.

The discount rates reflect specific risks relating to Property Operation CGU. The growth rates within the five-year period have been based on past experience and management's expectation of market development. The cash flows beyond the five-year period are extrapolated using zero growth rate.

	30 June 2021	31 December 2020
Pre-tax discount rates	16% – 17%	17% – 18%
Growth rate within the five-year period	0% – 10%	0% – 10%

The management of the Group believes that any reasonably possible change in the key estimation of the value-in-use calculation would not cause the carrying amounts of Property Operation CGU to exceed its recoverable amounts.

13. INTANGIBLE ASSETS

The movements in intangible assets during the six months ended 30 June 2021 are summarised as follows:

	RMB'000
At 1 January 2021 (Audited)	953,461
Arising on acquisition of property operation businesses (note 24)	151,285
Amortisation of intangible assets	(71,842)
<hr/>	
At 30 June 2021 (Unaudited)	1,032,904

The intangible assets represent the property management contracts and customers' relationship were acquired from third parties through business combination.

For the six months ended 30 June 2021

14. PROPERTIES FOR SALE

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Completed properties for Sale	6,627,201	8,111,088
Properties under development for sale	31,969,872	24,598,642
	<u>38,597,073</u>	<u>32,709,730</u>

15. CONTRACT ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Unbilled revenue of		
– construction of properties	757,917	754,206
– engineering services	78,210	67,534
	<u>836,127</u>	<u>821,740</u>
Less: allowance for impairment losses	(5,773)	(5,200)
	<u>830,354</u>	<u>816,540</u>
Classified as:		
Non-current assets	6,733	14,572
Current assets	823,621	801,968
	<u>830,354</u>	<u>816,540</u>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional upon the satisfaction by the customers on the construction work completed and/or engineering services rendered by the Group. The amounts are transferred out of contract assets to trade receivables when the rights become unconditional.

Details of the impairment assessment are set out in note 17.

16. TRADE AND OTHER RECEIVABLES

	NOTES	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	(a)	1,261,528	1,803,735
Other receivables		1,052,375	1,188,815
Loan receivables		32,659	225,949
Prepayments and other deposits	(b)	880,549	1,847,545
Prepayments to suppliers		132,250	265,118
Prepayments for construction work		730,330	761,984
Consideration receivables on disposal of equity interests in subsidiaries and an associate		716,097	2,598,461
Amount due from Pixian Government		122,830	122,830
Other tax prepayments		871,802	962,296
		5,800,420	9,776,733
Less: Amounts shown under non-current assets		(703,763)	(679,358)
Amounts shown under current assets		5,096,657	9,097,375

Notes:

- (a) Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation and travel agency service income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

For the six months ended 30 June 2021

16. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0 to 30 days	557,250	1,036,529
31 to 90 days	280,047	283,314
91 to 180 days	268,558	263,994
181 to 365 days	108,191	153,979
Over 1 year	47,482	65,919
	1,261,528	1,803,735

(b) The balance included refundable tender deposits, amounting to RMB837,200,000 (31 December 2020: RMB849,026,000), paid for public land auctions of property development projects in the PRC, which will be fully refunded if the public land auction is not successful. During the six months ended 30 June 2021, in relation to the aforesaid tender deposits as at 31 December 2020, the public auctions have been succeeded and the tender deposits amounting to RMB849,026,000 have been transferred to properties under development.

Details of the impairment assessment are set out in note 17.

17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Impairment loss recognised on		
– trade and other receivables	(13,088)	(28,138)
– amount due from a related party	(3,298)	(4,012)
– contract assets	(573)	(242)
	(16,959)	(32,392)

The balances of other receivables (excluding payments on behalf of residents), amounts due from non-controlling shareholders of the subsidiaries of the Company, joint ventures, associates and related parties are all not past due. In the opinion of the directors of the Company, the risk of default by these counterparties is not significant and thus the Group assessed that the ECL on these balances at 30 June 2021 are insignificant.

For the six months ended 30 June 2021

18. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Derivative financial instruments (under hedge accounting)		
Cash flow hedge		
– Foreign currency option contracts	23,093	4,113
– Foreign currency forward contracts	76,016	190,355
– Cross Currency Interest rate swaps	21,236	–
	120,345	194,468
Classified as:		
Current liabilities	99,114	193,780
Non-current liabilities	21,231	688
	120,345	194,468

During the six months ended 30 June 2021, the Group had entered into certain foreign currency forward contracts, foreign currency option contracts and cross currency interest rate swaps contracts designated as effective hedging instruments in order to minimise its exposures to foreign currency risk and market risk on its fixed rate USD senior notes.

The terms of the foreign currency forward contracts and the foreign currency option contracts have been negotiated to match the terms of the respective designated hedged items and the directors of the Company consider that the foreign currency forward contracts and foreign currency options contracts are highly effective hedging instruments. The major terms of these contracts are as follows:

Accumulated notional amount USD'000	Maturity	Strike rates (USD:RMB)	Cap rates (USD:RMB)	Floor rates (USD:RMB)
Foreign currency option contracts				
110,000	2021	6.90 – 7.05	7.18 – 7.35	N/A
70,000	2022	6.76 – 6.88	N/A	N/A
260,000	2023	6.53 – 6.92	6.80 – 7.37	N/A
Foreign currency forward contracts				
310,000	2021	6.66 – 6.86	6.90 – 7.01	6.00 – 6.30

18. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

During the six months ended 30 June 2021, the Group had cross currency interests rate swaps designated as highly effective hedging instruments in order to minimize its exposures to foreign currency risk on its fixed rate USD senior notes and corresponding interest payment by swapping a portion of those senior notes and corresponding interest payment from USD to RMB. The major terms of these contracts are as follows:

Accumulated notional amount USD'000	Maturity	Strike rates (USD:RMB)	Cap rates (USD:RMB)	Floor rates (USD:RMB)
Cross Currency Interest rate swaps				
120,000	2021	6.75 – 6.78	6.90 – 7.00	6.30
20,000	2022	6.75	7.00	N/A

19. TRADE AND OTHER PAYABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables	6,889,405	4,717,083
Deposit received	709,343	949,984
Other payables	487,172	475,428
Other tax payables	723,047	821,224
Accrued staff costs	568,921	519,279
Dividend payables	403,305	–
Consideration payables for acquisition of subsidiaries (note)	371,002	333,942
Accruals	104,041	109,105
	10,256,236	7,926,045
Less: Deferred consideration shown under non-current liabilities	(32,242)	–
Amounts shown under current liabilities	10,223,994	7,926,045

Note: During the period ended 30 June 2021, the Group acquired additional interests in certain subsidiaries from the non-controlling shareholders. Included in the outstanding amount, the amounts of RMB32,242,000 are due after one year and are recognised as “deferred consideration” and classified as non-current liabilities, as at 30 June 2021.

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

For the six months ended 30 June 2021

19. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0 to 60 days	6,254,632	3,627,559
61 to 180 days	302,589	610,244
181 to 365 days	236,322	212,197
1 – 2 years	95,558	265,107
2 – 3 years	304	1,608
Over 3 years	–	368
	6,889,405	4,717,083

20. BORROWINGS

During the six months ended 30 June 2021, the Group obtained new borrowings amounting to RMB8,496,779,000 (six months ended 30 June 2020: RMB4,198,201,000) and repaid borrowings amounting to RMB4,818,186,000 (six months ended 30 June 2020: RMB5,368,974,000).

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Secured	16,076,469	9,880,831
Unsecured	773,872	1,315,100
	16,850,341	11,195,931
Less: Amounts due within one year shown under current liabilities	(8,478,383)	(3,690,034)
Amounts due after one year shown under non-current liabilities	8,371,958	7,505,897

The new borrowings raised are denominated in Renminbi, Hong Kong Dollar and United State Dollar and carry interest ranging from 4.99% to 12.5% per annum.

21. SENIOR NOTES AND BONDS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Senior notes:		
Fantasia Notes		
2016 USD500 million senior notes due 2021	1,661,444	3,313,056
2017 USD300 million senior notes due 2022	1,999,199	2,016,991
2018 USD600 million senior notes due 2021	–	3,212,655
2018 USD200 million senior notes due 2021	1,294,915	1,304,877
2019 USD100 million senior notes due 2021	647,548	652,895
2019 USD300 million senior notes due 2022	1,951,361	1,958,636
2019 USD350 million senior notes due 2022	2,311,358	2,323,651
2020 USD450 million senior notes due 2023	2,991,137	3,047,030
2020 USD300 million senior notes due 2023	1,893,070	1,954,902
2020 USD200 million senior notes due 2022	1,329,119	1,341,563
2020 USD350 million senior notes due 2023	2,288,312	2,359,228
2020 USD320 million senior notes due 2023	1,989,113	2,107,899
2020 USD50 million senior notes due 2021	–	325,049
2020 USD250 million senior notes due 2021	1,606,127	1,611,718
2021 USD150 million senior notes due 2023	974,030	–
2021 USD250 million senior notes due 2024	1,486,326	–
2021 USD50 million senior notes due 2022	334,281	–
2021 USD100 million senior notes due 2023	650,589	–
2021 USD200 million senior notes due 2024	1,281,221	–
Colour Life Notes		
2020 USD100 million senior notes due 2021	–	668,659
2020 USD130 million senior notes due 2021	876,489	884,029
	27,565,639	29,082,838
Corporate bonds:		
Fantasia Bonds		
2018 RMB1,000 million bonds due 2021	987,098	951,186
2019 RMB800 million bonds due 2022	864,142	831,276
2019 RMB730 million bonds due 2022	763,011	734,578
2020 RMB2,500 million bonds due 2023	2,598,588	2,511,683
2020 RMB1,543 million bonds due 2023	1,591,757	1,536,896
	6,804,596	6,565,619
	34,370,235	35,648,457
Less: Amounts due within one year shown under current liabilities	(10,986,416)	(14,489,978)
Amounts due after one year shown non-current liabilities	23,383,819	21,158,479

For the six months ended 30 June 2021

21. SENIOR NOTES AND BONDS (continued)

During the six months ended 30 June 2021, the Group newly issued senior notes in an aggregate principal amount of USD750,000,000.

In February 2021, the Group issued senior notes in an aggregate principal amount of USD150,000,000 (“2021 USD150 million senior notes due 2023”). The senior notes are guaranteed by certain equity interests of the subsidiaries of the Company and carry interest of 11.875% per annum and interest is payable semi-annually on 10 February and 10 August in arrears, unless redeemed earlier. The senior notes will mature on 1 June 2023.

In March 2021, the Group issued senior notes in an aggregate principal amount of USD250,000,000 (“2021 USD250 million senior notes due 2024”). The senior notes are guaranteed by certain equity interests of the subsidiaries of the Company and carry interest of 10.875% per annum and interest is payable semi-annually on 2 March and 2 September in arrears, unless redeemed earlier. The senior notes will mature on 2 March 2024.

In March 2021, the Group issued senior notes in an aggregate principal amount of USD50,000,000 (“2021 USD50 million senior notes due 2022”). The senior notes are guaranteed by certain equity interests of the subsidiaries of the Company and carry interest of 14.5% per annum and interest is payable semi-annually on 18 March and 18 September in arrears, unless redeemed earlier. The senior notes will mature on 17 March 2022.

In June 2021, the Group issued senior notes in an aggregate principal amount of USD100,000,000 (“2021 USD100 million senior notes due 2023”). The senior notes are guaranteed by certain equity interests of the subsidiaries of the Company and carry interest of 11.875% per annum and interest is payable semi-annually on 3 June and 3 December in arrears, unless redeemed earlier. The senior notes will mature on 1 June 2023.

In June 2021, the Group issued senior notes in an aggregate principal amount of USD200,000,000 (“2021 USD200 million senior notes due 2024”). The senior notes are guaranteed by certain equity interests of the subsidiaries of the Company and carry interest of 14.5% per annum and interest is payable semi-annually on 25 June and 25 December in arrears, unless redeemed earlier. The senior notes will mature on 25 June 2024.

During the six months ended 30 June 2021, 2018 USD600 million senior notes due 2021 with its principal amount of USD339,220,000, 2020 USD50 million senior notes due 2021 with its principal amount of USD50,000,000 and 2020 USD100 million senior notes due 2021 with its principal amount of USD100,000,000 were repaid upon maturity. No gain or loss on redemption of senior notes is recognised in profit or loss.

During the six months ended 30 June 2021, the Group repurchased 2016 USD500 million senior notes due 2021 with the principal amounts of USD287,844,000, 2018 USD600 million senior notes due 2021 with the principal amounts of USD141,209,000, 2020 USD450 million senior notes due 2023 with the principal amounts of USD3,200,000, 2020 USD300 million senior notes due 2023 with the principal amounts of USD7,000,000, 2020 USD350 million senior notes due 2023 with the principal amounts of USD6,500,000, 2020 USD320 million senior notes due 2023 with the principal amounts of USD15,000,000 and 2021 USD250 million senior notes due 2024 with the principal amounts of USD18,400,000 at an aggregate consideration of USD479,153,000 (equivalent to RMB2,812,926,000). The gain on repurchase of senior notes of RMB71,569,000 is recognised in profit or loss. Upon completion of the repurchase, all repurchased senior notes were cancelled.

21. SENIOR NOTES AND BONDS (continued)

The movements of the senior notes and bonds during the six months ended 30 June 2021 are set out below:

	RMB'000
At 1 January 2021 (Audited)	35,648,457
Net proceeds on the date of issuance	4,797,333
Exchange gain	(295,111)
Interest expenses	1,684,215
Payment of interest	(1,409,553)
Repayment of senior notes	(3,170,611)
Repurchase/early redemption of senior notes	(2,884,495)
At 30 June 2021 (Unaudited)	34,370,235

22. ASSET-BACKED SECURITIES ISSUED

In March 2021, a subsidiary of the Company issued asset-backed securities (“2021 ABS”) under securitisation arrangements collateralised by the mortgage loans to be provided by banks relating to sales of completed properties and guaranteed by Fantasia China. The subsidiary of the Company issued the 2021 ABS in an aggregate nominal value of RMB255,000,000 which carry interests ranging from 7% to 7.5% per annum. Under the securitisation arrangement, the principal and interests are payable quarterly and with maturity from March 2021 to March 2023.

The movement of the assets backed securities during the period is set out below:

	RMB'000
At 1 January 2021 (Audited)	20,206
Effective interest recognised	5,939
Repayment of principal	(12,980)
Interest paid	(584)
Net proceeds on the date of issuance of asset-backed securities issued	255,000
At 30 June 2021 (Unaudited)	267,581

Analysis for reporting purpose:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current	12,581	20,206
Non-current	255,000	–
	267,581	20,206

For the six months ended 30 June 2021

23. SHARE CAPITAL

	Number of shares	Amount HK\$	Equivalent to RMB'000
Ordinary Shares of HK0.1 each			
Authorised:			
At 1 January 2021 and 30 June 2021	8,000,000,000	800,000,000	704,008
Issued and fully paid:			
At 1 January 2021 (Audited)	5,770,210,424	577,021,042	498,588
Issue of shares upon exercise of share options	2,387,440	238,744	199
At 30 June 2021 (Unaudited)	5,772,597,864	577,259,786	498,787

24. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of property projects
For the period ended 30 June 2021

In June, the Group had acquired 2% equity interests of Zhongjiao Huachuang (Shaoxing) Property Co., Ltd. (中交花創(紹興)置業有限公司) (“Zhongjiao Huachuang”) at a total consideration of RMB38,000,000 from the other shareholder of Zhongjiao Huachuang. Upon completion of the equity transfer, the Group holds 51% equity interests in Zhongjiao Huachuang and is able to exercise control over Zhongjiao Huachuang. Zhongjiao Huachuang engages in property development business in Zhaoxing, the PRC.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Deferred tax assets	2,134
Properties under development for sale	5,124,479
Other receivables	33,146
Tax recoverables	9,087
Restricted bank deposits	218,746
Bank balances and cash	52,664
Contract liabilities	(784,413)
Trade and other payables	(238,067)
Amounts due to certain subsidiaries of the Company	(557,268)
Amount due to a non-controlling shareholder	(273,175)
Borrowings	(2,593,455)
	993,878

24. ACQUISITION OF SUBSIDIARIES (continued)

(a) Acquisition of property projects (continued) For the period ended 30 June 2021 (continued)

Acquisition-related costs were insignificant and have been excluded from the cost of acquisition and were recognised as an expense in the year incurred within the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

As at the date of acquisitions during the six months ended 30 June 2021, the other receivables acquired with a fair value of RMB33,146,000 approximated its gross contractual amount, with no significant contractual cash flows not expected to be collected.

	RMB'000
Cash consideration paid	38,000
Add: Non-controlling interests	477,939
Fair value of the Group's previously held equity interest in Zhongjiao Huachuang	477,939
	993,878

The fair value of the Group's previously held equity interests in Zhongjiao Huachuang is estimated by an independent valuer through application of income approach and the key inputs of the valuation are the gross development value on completion basis, construction costs to completion and the discount rates. The difference between the fair value and the carrying amount of the Group's previously held interests in associates amounting to RMB92,280,000 was recognised as gain on remeasurement (include in other gains and losses) during the six months ended 30 June 2021.

	RMB'000
Net cash inflow arising on acquisitions	
Bank balances and cash acquired	52,664
Less: cash consideration paid	(38,000)
	14,664

(b) Acquisition of property operation businesses For the period ended 30 June 2021

In April 2021, the Group entered into agreements with certain shareholders and directors of the Shenzhen Aerospace Property Management Co., Ltd. (深圳市航天物業管理有限公司) (“Shenzhen Aerospace”). Pursuant to the Article and Association of Shenzhen Aerospace, all of the strategic financial and operating decisions must be approved by simple majority of the board of directors and shareholders' meeting. By execution of the aforesaid agreements, the Group has more than 50% of voting power at both shareholders' meeting and board of directors. Therefore, the Group has sufficiently dominant voting power to direct the relevant activities of Shenzhen Aerospace and therefore the Group has control over Shenzhen Aerospace and its subsidiaries.

In March 2021, the Group entered into an agreement with an independent third party to acquire the entire equity interests in Zhuoyao Property Services (Chengdu) Co., Limited (卓耀物業服務(成都)有限公司) (“Zhuoyao Services”) for a cash consideration of RMB10,000,000.

For the six months ended 30 June 2021

24. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of property operation businesses (continued)

For the period ended 30 June 2021 (continued)

The principal activities of acquired subsidiaries are engaged in provision of property management services and the objectives of acquisition are expansion of property management services of the Group.

Acquisition-related costs were insignificant and have been excluded from the cost of acquisition and were recognised as an expense for the period ended 30 June 2021 and included in the “administrative expenses” line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities assumed at the dates of acquisition are as follows (determined on a provisional basis):

	Shenzhen Aerospace RMB'000	Zhuoyao Services RMB'000	Total RMB'000
Property, plant and equipment	3,509	–	3,509
Interest in an associate	4,986	–	4,986
Interest in an joint venture	1,758	–	1,758
Intangible assets	141,839	9,446	151,285
Trade and other receivables	63,554	–	63,554
Amounts due from certain subsidiaries of the Company	11,563	–	11,563
Bank balances and cash	95,336	9,067	104,403
Contract liabilities	(25,520)	–	(25,520)
Trade and other payables	(73,000)	(9,067)	(82,067)
Tax liabilities	(57,629)	–	(57,629)
Amounts due to certain subsidiaries of the Company	(2,141)	–	(2,141)
Deferred tax liabilities	(35,460)	(2,362)	(37,822)
	128,795	7,084	135,879

The trade and other receivables acquired with a fair value of RMB63,554,000 as at the date of acquisitions during the six months ended 30 June 2021, are approximate to gross contractual amount, with no significant contractual cash flows not expected to be collected.

24. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of property operation businesses (continued)

For the period ended 30 June 2021 (continued)

Goodwill arising on acquisition (determined on a provisional basis)

	Shenzhen Aerospace RMB'000	Zhuoyao Services RMB'000	Total RMB'000
Cash consideration paid	–	10,000	10,000
Add: Fair value of the Group's previously held equity in Shenzhen Aerospace	219,003	–	219,003
Non-controlling interests	330,997	–	330,997
Less: Fair value of net identifiable assets acquired	(128,795)	(7,084)	(135,879)
	421,205	2,916	424,121

The initial accounting for intangible assets acquired, which represent the property management contracts and customers' relationship, in the above business combination with fair value of RMB151,285,000, has been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred tax liabilities, goodwill, non-controlling interests and gain on remeasurement may be adjusted accordingly on completion of the valuations.

The difference between the fair value and the carrying amount of the Group's previously held interests in associates amounting to RMB86,915,000 was recognised as gain on remeasurement (included in other gains and losses) during the six months ended 30 June 2021.

The non-controlling interests arising from the acquisition of respective subsidiaries were measured by reference to the fair value of the non-controlling interest and amounted to RMB330,997,000 at the acquisition dates.

Goodwill was arisen on the acquisitions of subsidiaries during the period ended 30 June 2021, because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of the business.

As at the date of acquisitions during the period ended 30 June 2021, intangible assets of RMB151,285,000 in relation to the acquisition of subsidiaries under property management services segment had been recognised by the Group.

None of the goodwill arising on the acquisitions was expected to be deductible for tax purposes.

Net cash inflows arising on acquisitions

	RMB'000
Net cash inflow arising on acquisitions	
Bank balances and cash acquired	104,403
Less: cash consideration paid	(10,000)
	94,403

For the six months ended 30 June 2021

25. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries

For the six months ended 30 June 2020

- (i) In March 2020, the Group disposed of its 100% equity interest in Morning Star, which is engaged in travel agency business, to an independent third party for a consideration of RMB50,416,000. The disposal transaction was completed in March 2020. Cash consideration of RMB20,000,000 has been received by the Group in 2020 and the remaining consideration of RMB30,416,000 will be settled by installment and will be fully settled in 2023. The fair value of the deferred consideration is determined to be RMB30,416,000, with the discount rate of 3.65%. The loss on disposal of Morning star amounting to RMB1,090,000 is recognised and included in gain on disposal of subsidiaries.
- (ii) In June 2020, the Group and two independent investors (“Investors”) have agreed, in written, that the Investors will acquire 100% equity interests in Nanjing Zhongchu Property Development Co., Ltd. (南京中儲房地產開發有限公司) (“Nanjing Zhongchu”), in aggregate, on the condition that the Group has obtained 30% shareholding in Nanjing Zhongchu on behalf of the Investors. The total payment settled by the Investors is RMB700,000,000 which included (1) RMB226,677,000 returned to the Group for the acquisition of 30% shareholding in Nanjing Zhongchu from the non-controlling shareholder on behalf of the Investors in which the Group was not entitled to any interests in the aforesaid 30% shareholding; (2) RMB473,323,000 paid to the Group for the acquisition of 70% equity interests in Nanjing Zhongchu. The disposal transaction was completed in June 2020. According to the agreement, the total payment by the Investors amounting to RMB700,000,000 is due in one year since the completion of the transactions. The gain on disposal of Nanjing Zhongchu amounting to RMB160,316,000 is recognised in gain on disposal of subsidiaries.

25. DISPOSAL OF SUBSIDIARIES (continued)

(a) Disposal of subsidiaries (continued)

For the six months ended 30 June 2020 (continued)

The above transactions are accounted for as disposal of subsidiaries. Details of the assets and liabilities derecognised in respect of these transactions are summarised below.

	Morning Star RMB'000	Nanjing Zhongchu RMB'000	Total RMB'000
Property, plant and equipment	329	1,645	1,974
Investment properties	–	702,000	702,000
Goodwill	69,189	–	69,189
Intangible assets	37,579	–	37,579
Deferred tax assets	–	17,905	17,905
Properties under development for sale	–	1,513,533	1,513,533
Amounts due from certain subsidiaries of the Company			
Trade and other receivables	46,541	29,370	75,911
Tax recoverable	–	21,884	21,884
Bank balances and cash	6,779	22,417	29,196
Trade and other payables	(36,252)	(558,577)	(594,829)
Contract liabilities	–	(20,876)	(20,876)
Tax liabilities	–	(64,115)	(64,115)
Amounts due to certain subsidiaries of the Company	(67,722)	(253,595)	(321,317)
Borrowings	–	(1,050,000)	(1,050,000)
Deferred tax liabilities	(4,937)	–	(4,937)
	51,506	361,591	413,097
(Loss) gain on disposal of subsidiaries:			
Cash consideration received	20,000	–	20,000
Consideration receivables	30,416	473,323	503,739
Total considerations	50,416	473,323	523,739
Add: Non-controlling interests	–	48,584	48,584
Less: Net assets disposed of	(51,506)	(361,591)	(413,097)
	(1,090)	160,316	159,226
			RMB'000
Net cash outflow arising on disposal:			
Cash consideration			20,000
Bank balances and cash disposed of			(29,196)
			(9,196)

For the six months ended 30 June 2021

25. DISPOSAL OF SUBSIDIARIES (continued)

(a) Disposal of subsidiaries (continued) **For the six months ended 30 June 2020** (continued)

The purpose of the disposal of Morning Star is to generate cash for the expansion of the Group's other businesses. The Group's travel agency operation is considered as discontinued operation. The disposal of Morning Star was completed on 25 March 2021, on which date control was passed to the acquirer. The revenue and loss of Morning Star for the period from 1 January 2021 to 25 March 2021, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income were RMB39,191,000 (six months ended 30 June 2020: RMB188,123,000) and RMB4,891,000 (six months ended 30 June 2020: RMB8,654,000), respectively.

During the period from 1 January 2021 to 25 March 2021, Morning Star incurred net operating cash outflows of RMB24,002,000 (six months ended 30 June 2020: RMB21,199,000) to the Group's net operating cash flows and insignificant contribution to both investing cash flows and financing cash flows of the Group.

(b) Disposal of partial interests in subsidiaries resulting in loss of control **For the six months ended 30 June 2021**

In March 2021, the Group, the non-controlling shareholders and an independent investor entered into an investment agreement regarding the capital injections to Wuhan Xinchengkai Industrial Co., Ltd. (武漢欣誠開實業有限公司) ("Wuhan Xinchengkai") by the independent investor amounting to RMB20,000,000. Upon completion of the investment, the beneficial interests, profit sharing and voting rights held by the Group was diluted from 55% to 18%. The aforesaid transaction was completed in March 2021. As all of the strategic financial and operating decisions required approval by simple majority, the remaining equity interest held by the Group in Wuhan Xinchengkai and its subsidiaries were classified as interest in associates. Wuhan Xinchengkai and its subsidiaries hold a property project located in Wuhan, the PRC.

25. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of partial interests in subsidiaries resulting in loss of control (continued)

For the six months ended 30 June 2021 (continued)

The above transaction is accounted for as disposal of subsidiaries.

	RMB'000
<hr/>	
Analysis of assets and liabilities over which control was lost:	
Properties under development for sale	1,612,463
Trade and other receivables	62,317
Amount due from non-controlling shareholder of Wuhan Xinchengkai	58,305
Tax recoverable	21,321
Bank balances and cash	279,756
Trade and other payables	(34,517)
Contract liabilities	(1,043,545)
Amounts due to certain subsidiaries of the Company	(321,425)
Borrowings	(600,000)
Deferred tax liabilities	(5,395)
	<hr/>
	29,280
	<hr/>
Loss on disposal of subsidiaries:	
Non-controlling interests	13,176
Add: Fair value of the Group's equity in Wuhan Xinchengkai	9,371
Less: Net assets disposed of	(29,280)
	<hr/>
	(6,733)
	<hr/>

At the date of disposal during the six months ended 30 June 2020, the fair value of retained equity interest in Wuhan Xinchengkai is estimated by an independent valuer by reference to the proportionate share of the fair value of net identifiable assets/liabilities of Wuhan Xinchengkai amounting to RMB9,371,000.

	RMB'000
<hr/>	
Net cash outflow arising on disposal:	
Bank balances and cash disposed of	(279,756)
	<hr/>

For the six months ended 30 June 2021

25. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of partial interests in subsidiaries resulting in loss of control (continued)
For the six months ended 30 June 2020

In June 2020, the Group disposed of its 5% equity interest in Hangzhou Qifei Huachuang Technology Co., Ltd. (杭州奇飛花創科技有限公司) (“Hangzhou Qifei”) to an independent third party for a cash consideration of RMB9,592,000 and the Group’s shareholding in Hangzhou Qifei decreased from 49% to 44% and the voting right in Hangzhou Qifei’s shareholder’s meeting decreased from 100% to 44%, resulting in loss of control upon completion of the transaction. Pursuant to the revised article of association of Hangzhou Qifei, the Group has the right to cast 44% of the votes of Hangzhou Qifei at the shareholder’s meeting, the governing body which directs the relevant activities that significantly affect the returns of Hangzhou Qifei. The approval of relevant activities require simple majority of shareholders. As the Group holds no more than 50% of the voting power in the shareholders’ meeting, therefore, the remaining 44% equity interest in Hangzhou Qifei is classified as interests in associates. Hangzhou Qifei is engaged in property investment in the PRC.

The above transactions are accounted for as disposal of partial interests in subsidiaries resulting in loss of control. Assets and liabilities derecognised at date of loss of control of the disposed subsidiary were as follows:

	RMB’000
<hr/>	
Assets and liabilities disposed at the date of loss of control:	
Investment properties under development	528,100
Property, plant and equipment	1,025
Other receivables	95,255
Bank balances and cash	2,776
Trade and other payables	(3,506)
Amounts due from certain subsidiaries of the Company	(390,533)
Deferred tax liabilities	(45,125)
	<hr/>
	187,992
<hr/>	
Gain on disposal of subsidiaries:	
Consideration receivables	12,961
Add: Non-controlling interests	93,996
Add: Fair value of retained equity interest in Hangzhou Qifei classified as interests in associates	84,404
Less: Net assets disposed of	(187,992)
	<hr/>
	3,369
<hr/>	

At the date of disposal during the six months ended 30 June 2020, the fair value of retained equity interest in Hangzhou Qifei is estimated by an independent valuer by reference to the proportionate share of the fair value of net identifiable assets/liabilities of Hangtian Qifei amounting to RMB84,404,000.

	RMB’000
<hr/>	
Net cash outflow arising on disposal:	
Bank balances and cash disposed of	(2,776)
	<hr/>

26. CAPITAL AND OTHER COMMITMENTS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Construction commitments in respect of properties for sale contracted for but not provided in the condensed consolidated financial statements	8,157,556	12,506,925
Construction commitments in respect of investment properties contracted for but not provided in the condensed consolidated financial statements	422,421	1,284,716
Consideration commitments in respect of acquisition of subsidiaries contracted for but not provided in the condensed consolidated financial statements	33,517	34,302
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	18,508	26,672

27. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share option scheme of the Company

The following table discloses movements of the Company's share options held by directors and employees during the six months ended 30 June 2021:

	Number of share options under share option schemes ('000)
Outstanding as at 1 January 2021	72,558
Exercised during the period	(2,387)
Lapsed during the period	(3,064)
Outstanding as at 30 June 2021	67,107

The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK\$1.14.

The Group did not recognise any expense for the six months ended 30 June 2021 and 2020 in relation to share options granted by the Company.

For the six months ended 30 June 2021

27. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Share option scheme of Colour Life

The following table discloses movements of Colour Life's share options held by directors, employees and non-controlling shareholders of certain subsidiaries of Colour Life during the six months ended 30 June 2021:

	Number of share options under share option schemes (‘000)
Outstanding as at 1 January 2021	67,788
Lapsed during the period	(9,940)
Outstanding as at 30 June 2021	57,848

Colour Life recognised the total expense of RMB1,330,000 (six months ended 30 June 2020: RMB3,349,000) in share option reserve of Colour Life included in non-controlling interests for the six months ended 30 June 2021 in relation to share options granted by Colour Life.

(c) Share option scheme of Morning Star

During the six months ended 30 June 2020, upon the completion of disposal of the Group's 100% equity interests in Morning Star, the related share option reserves were transferred to accumulated profits accordingly.

(d) Share award scheme of Colour Life

On 4 July 2016, a share award scheme (the "Share Award Scheme") was adopted by Colour Life, to certain employees and consultants of Colour Life, as incentives or rewards for their contribution or potential contribution to Colour Life by way of Colour Life's shares acquired by and held through an independent trustee appointed by the Group until fulfilment of special condition before vesting.

Up to 30 June 2021 and 31 December 2020, a total of 1,802,000 Colour Life's shares were held for the Share Award Scheme and the aggregate consideration paid for these shares in an amount of RMB6,795,000 was deducted from other non-controlling interests.

28. CONTINGENT LIABILITIES

- (a) The Group provided guarantees amounting to RMB10,694,153,000 (31 December 2020: RMB12,842,583,000) given to banks for mortgage facilities granted to purchasers of the Group's properties for sales as at 30 June 2021.
- (b) The Group provided guarantees on several basis covering its respective equity shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2021, the Group's aggregate shares of such guarantees provided in respective of loans borrowed by these joint ventures amounted to RMB934,500,000 (31 December 2020: RMB1,683,000,000) and associates amounted to RMB1,927,000,000 (31 December 2020: RMB853,000,000).

In the opinion of the directors, the possibility of the default of the parties is remote and the fair value of guarantee contracts is insignificant at the inception and at the end of each reporting period.

29. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Properties for sale	16,050,638	10,350,748
Investment properties	3,504,942	3,985,665
Pledged bank deposits	822,214	414,118
Property, plant and equipment	458,190	513,833
Trade receivables	387,950	–
	21,223,934	15,264,364

30. RELATED PARTY DISCLOSURES

(a) Related party transactions

Apart from the related party transactions disclosed elsewhere in the condensed consolidated financial statements, the Group had following significant transactions with related parties during the interim period:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Commission income		
Entities controlled by Mr. Pan Jun, a director of the Company	–	10,861
Project management fee income		
Associates	81,953	–
Joint ventures	26,024	22,264

For the six months ended 30 June 2021

30. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances

At the end of the reporting period, the Group has the following significant balances due from related parties:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Non-controlling shareholders of the subsidiaries of the Company	51,216	497,321
Joint ventures	1,938,866	4,065,400
Associates	2,363,603	1,254,545
Related parties	19,448	32,244
	4,373,133	5,849,510
Less: Amounts expected to realise after one year and shown under non-current assets	(365,979)	(768,889)
Amounts expected to realise within one year and shown under current assets	4,007,154	5,080,621

Related parties	Relationship	Nature	30 June 2021 RMB'000	31 December 2020 RMB'000
深圳市彩付寶科技有限公司 Shenzhen Colour Pay Network Technology Co., Ltd. ("Shenzhen Colour Pay")	A related company controlled by Mr. Pan Jun, a director and the chief executive officer of the Company	– Non-trade nature – Trade nature	3,310 16,138	– 26,138
深圳市天闊投資發展有限公司 Shenzhen Tiankuo Investment Development Co., Ltd.	A related company controlled by Ms. Zeng Jie, Baby, the controlling shareholder and director of the Company	– Non-trade nature	–	6,106
			19,448	32,244

30. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances (continued)

For the trade balance due from Shenzhen Colour Pay regarding online promotion services income, credit term of one year is granted from issuance of invoices. The following is an aging analysis of trade balance due from a related party presented based on the invoice date at the end of the reporting period, which approximated to the respective revenue recognition date:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
0 to 30 days	7,793	3,632
31 to 90 days	5,578	6,312
91 to 180 days	2,294	12,531
181 to 365 days	473	3,663
	16,138	26,138

The remaining amounts due from non-controlling shareholders of the subsidiaries of the Company, joint ventures, associates and related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

The subsidiaries, joint ventures, associates and related parties are mainly engaged in property development, property management and property leasing business, the Group determined the current or non-current portion based on the expected date of recovery of the advances, which is by reference to the status of the property projects and the financial position of the subsidiaries, joint ventures, associates and related parties.

Details of the impairment assessment are set out in note 17.

At the end of the reporting period, the Group has the following significant balances due to related parties:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Non-controlling shareholders of the subsidiaries of the Company	39,951	136,167
Associates	467,125	563,254
Joint ventures	614,659	118,040
Related parties	35,124	–
	1,156,859	817,461

The related parties above are related companies controlled by Ms. Zeng Jie, Baby, the controlling shareholder and director of the Company.

The amounts due to related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

For the six months ended 30 June 2021

30. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2021 and 2020 is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefit	44,446	37,940
Post-employment benefit	1,569	2,873
	46,015	40,813

(d) Others

During the six months ended 30 June 2021, the Group had sold certain properties to its key management personnel of the Group (not including the directors of the Company), at a cash consideration of RMB100,000 (six months ended 30 June 2020: RMB36,510,000).

31. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table gives information about the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	Fair value at		Fair value hierarchy	Valuation technique and key input
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)		
Equity instruments designated at FVTOCI	47,409	54,582	Level 3	Discounted cash flow – Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return.
Derivative financial instruments Liabilities	120,345	194,468	Level 2	Discounted cash flow – Fair value is estimated based on, inter alia, the contracted exchange rate and the forward rate.

Included in other comprehensive income is an amount of RMB7,173,000 loss relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of revaluation reserve and other non-controlling interests.

Fair value of the Group's other financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

	Fair value hierarchy	30 June 2021		31 December 2020	
		Carrying amount RMB'000 (Unaudited)	Fair value RMB'000	Carrying amount RMB'000 (Audited)	Fair value RMB'000
Senior notes	Level 1	27,565,639	26,860,136	29,082,838	30,102,143
Listed corporate bonds	Level 1	6,804,596	6,908,747	6,565,619	6,688,038
Asset-backed securities issued	Level 3	267,581	266,861	20,206	19,608

The management of the Group estimates the fair value of other financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

For the six months ended 30 June 2021

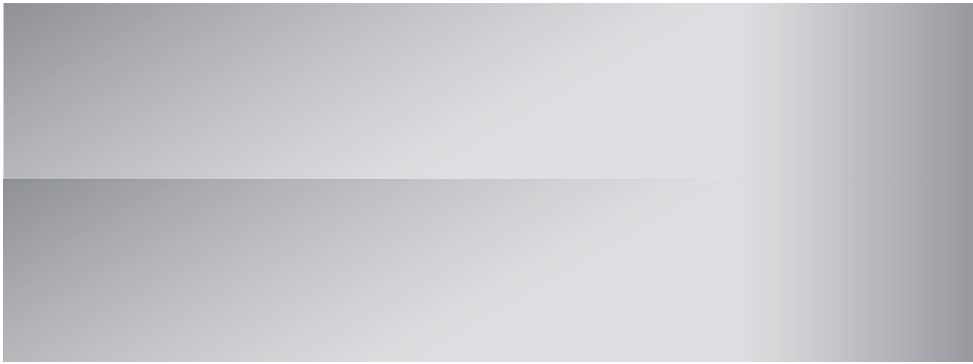
32. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June 2021, the Group entered into certain new lease agreements for the use of office premises for three years. On the lease commencement, the Group recognised RMB5,783,000 right-of-use assets and RMB5,783,000 lease liabilities.

33. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 July 2021, the Group entered into an agreement with Greenland Holdings Corporation Ltd. and its subsidiaries (collectively referred to as “Greenland Entities”) which are independent third parties of the Group, to acquire the entire equity interests of Shanghai Lumin Property Management Co., Ltd. (上海綠閔物業管理有限公司) (“Shanghai Lumin”) for RMB1,260,000,000. Pursuant to the terms of the agreement, the Greenland Entities have agreed to engage Shanghai Lumin as their strategic priority property management service provider of commercial related properties and to deliver contracted Gross Floor Area of commercial related properties to Shanghai Lumin for a period of five years upon completion of the acquisition of Shanghai Lumin. At the date these consolidated financial statements are authorised for issuance, the acquisition of Shanghai Lumin have not been completed.

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