



融信中國控股有限公司
RONSHINE CHINA HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 3301

2022 INTERIM REPORT

MARCH FORWARD WITH FAITH,
PERSISTENCE AND PRUDENCE



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ou Zonghong
(Chairman and Chief Executive Officer)
 Ms. Yu Lijuan
 Ms. Zeng Feiyan
 Mr. Wu Jianxing (appointed on 15 August 2022)
 Mr. Ruan Youzhi (resigned on 15 August 2022)
 Mr. Zhang Lixin *(Chief Financial Officer)*

Non-executive Director

Ms. Chen Shucui

Independent Non-executive Directors

Mr. Ren Yunan
 Mr. He Jiarong (appointed on 15 August 2022)
 Mr. Qu Wenzhou (resigned on 22 July 2022)
 Mr. Ruan Weifeng

AUDIT COMMITTEE

Mr. He Jiarong *(Chairman)*
 Mr. Ren Yunan
 Mr. Ruan Weifeng

REMUNERATION COMMITTEE

Mr. Ren Yunan *(Chairman)*
 Mr. He Jiarong
 Mr. Ou Zonghong

NOMINATION COMMITTEE

Mr. Ou Zonghong *(Chairman)*
 Mr. He Jiarong
 Mr. Ruan Weifeng

AUDITOR

Elite Partners CPA Limited
*Certified Public Accountants and Registered
 Public Interest Entity Auditor*
 10/F., 8 Observatory Road
 Tsim Sha Tsui
 Kowloon, Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
 Sidley Austin

As to Cayman Islands law:
 Conyers Dill & Pearman

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

REGISTERED OFFICE

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

Corporate Information

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Tower 2, Ronshine Sunkwan Center
Lane 77, Shangkun Road
Minhang District, Shanghai
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1210, 12/F
ICBC Tower
3 Garden Road
Central
Hong Kong

JOINT COMPANY SECRETARIES

Mr. Yu Zuoyi
Ms. Lee Angel Pui Shan (*HKACG, ACG*)

AUTHORISED REPRESENTATIVES

Mr. Ou Zonghong
Ms. Lee Angel Pui Shan

PRINCIPAL BANKERS

Bank of China Limited
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited

WEBSITE

www.rongxingroup.com

STOCK CODE**STOCK**

HKEx: 3301

BOND

US\$688,000,000 8.75% Senior Notes due 2022

Common Code: 197676078

ISIN: XS1976760782

US\$413,000,000 8.95% Senior Notes due 2023

Common Code: 203146973

ISIN: XS2031469732

US\$316,000,000 8.10% Senior Notes due 2023

Common Code: 209094916

ISIN: XS2090949160

US\$410,000,000 7.35% Senior Notes due 2023

Common Code: 218930387

ISIN: XS2189303873

US\$166,000,000 6.75% Senior Notes due 2024

Common Code: 221151488

ISIN: XS2211514885

US\$244,900,000 7.1% Senior Notes due 2025

Common Code: 229030884

ISIN: XS2290308845

Financial Highlights

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (“**Ronshine China**” or the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”).

	For the six months ended		Change in percentage
	30 June 2022	2021	
Revenue (RMB'000)	14,251,647	21,739,463	-34.44%
Cost of sales (RMB'000)	(14,048,541)	(19,564,058)	-28.19%
Gross profit (RMB'000)	203,106	2,175,405	-90.66%
Other income and other gains or losses (RMB'000)	(820,934)	417,681	-296.55%
Profit before income tax (RMB'000)	(4,210,928)	1,628,757	-358.54%
Profit for the period (RMB'000)	(4,570,465)	1,040,403	-539.30%
– attributable to owners of the Company (RMB'000)	(4,429,232)	684,511	-747.07%
– attributable to non-controlling interests (RMB'000)	(141,233)	355,892	-139.68%

	As at	As at	Change in percentage
	30 June 2022	31 December 2021	
Total assets (RMB'000)	218,641,824	245,439,839	-10.92%
Total liabilities (RMB'000)	176,950,811	193,158,889	-8.39%
Total equity (RMB'000)	41,691,013	52,280,950	-20.26%
Capital and reserve attributable to owners of the Company (RMB'000)	13,760,271	18,304,598	-24.83%

Business Review and Outlook

SUMMARY OF PRINCIPAL PROPERTIES

The table below sets forth the details of the property development projects of the Group as at 30 June 2022.

PROJECTS DEVELOPED BY THE GROUP

As at 30 June 2022, the subsidiaries, joint ventures and associated companies of the Group engaged in a total of 242 property development projects.

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
1	Fuzhou Hot Spring City (福州融信溫泉城)	Fuzhou	1,018,836.00	50.00%	Residential	1,674,327.62	1,096,332.51	2020/12/1
2	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城-德藍-1)	Zhengzhou	196,121.00	100.00%	Residential	576,552.70	576,552.70	2026/4/1
3	Taiyuan City of Times-3 (太原時光之城-3)	Taiyuan	93,262.21	80.08%	Residential	409,319.16	409,319.16	2022/8/1
4	Taiyuan City of Times (太原時光之城)	Taiyuan	117,073.23	80.08%	Residential	553,989.00	401,840.74	2022/8/1
5	Taiyuan City of Times-2 (太原時光之城-2)	Taiyuan	120,299.06	80.08%	Residential	478,356.06	384,224.35	2022/8/1
6	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	Zhengzhou	102,755.00	50.37%	Residential	508,336.25	368,352.52	2021/8/1
7	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城-蘇派-1)	Zhengzhou	236,878.59	100.00%	Residential	472,656.50	353,363.77	2020/8/18
8	Zhengzhou City of Times (鄭州時光之城)	Zhengzhou	199,774.58	51.00%	Residential	781,537.88	346,470.73	2020/11/1
9	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城-中喬-1)	Zhengzhou	302,571.59	100.00%	Residential	469,891.19	341,563.29	2021/10/1
10	The Ocean Coastal (青島海月星灣)	Qingdao	100,705.00	51.00%	Residential	422,216.85	334,540.19	2021/5/1
11	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	Zhengzhou	97,429.72	100.00%	Residential	306,505.59	306,505.59	2026/4/1
12	Zhengzhou Olympic Century-3 (鄭州奧體世紀-3)	Zhengzhou	61,392.03	52.21%	Residential	303,140.84	303,140.84	2025/8/13
13	Weinan Wenjuetai (渭南文闕臺)	Lanzhou	58,181.00	19.25%	Residential	301,968.75	301,968.75	2024/8/1
14	Zhengzhou City of Times-2 (鄭州時光之城-2)	Zhengzhou	111,531.88	51.00%	Residential	307,668.52	300,191.98	2024/5/1
15	Fuzhou China Legend (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	Fuzhou	259,519.00	100.00%	Residential	1,311,286.93	273,246.16	2020/12/31
16	Nanjing Boan Center (南京鉞岸中心)	Nanjing	42,707.52	100.00%	Residential	351,699.72	241,827.61	2020/11/1
17	South Shaoxing Dongguang Lot (紹興城南東光地塊)	Shaoxing	152,834.00	12.18%	Residential	391,175.28	240,095.11	2023/3/1
18	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	Fuzhou	123,228.00	100.00%	Residential	383,010.00	228,737.20	2022/8/1
19	Fuzhou Residence (福州國公館)	Fuzhou	143,367.00	100.00%	Residential	232,480.75	211,107.75	2023/4/1
20	Lanzhou Yuelan Time's Trace (蘭州樂灘·時光印)	Weinan	89,743.26	39.00%	Residential	206,931.00	206,931.00	2024/10/1
21	Lanzhou Park Academy (蘭州公園學府)	Lanzhou	88,946.00	32.73%	Residential	314,326.54	204,959.19	2022/10/1
22	Fuyang Yingzhou Project (阜陽潁州項目)	Fuyang	147,590.00	55.00%	Residential	329,589.60	203,093.88	2022/12/1

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
23	Changle Lanshan (長樂瀾山)	Fuzhou	125,737.00	34.00%	Residential	317,109.48	203,060.00	2021/12/1
24	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	Zhengzhou	64,876.00	100.00%	Residential	252,987.87	196,105.14	2021/11/31
25	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	Xi'an	57,704.96	30.00%	Residential	186,444.00	184,722.00	2023/6/1
26	Nantong Chongzhou Park Road Plot (南通崇州園林路地塊)	Nantong	52,712.00	40.00%	Residential	172,992.10	172,992.10	2024/5/1
27	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	Xi'an	77,018.38	30.00%	Residential	243,363.00	165,047.82	2023/5/1
28	Huzhou Xifengyang Project (湖州西鳳漾項目)	Huzhou	76,061.00	100.00%	Residential	180,359.21	164,624.36	2023/7/1
29	Suzhou Huangqiao Project (蘇州黃橋項目)	Suzhou	60,292.00	40.00%	Residential	180,666.00	164,463.99	2023/10/1
30	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城-蘇派-2)	Zhengzhou	110,754.43	100.00%	Residential	329,775.42	160,542.73	2020/8/1
31	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	Huzhou	75,018.00	80.00%	Residential	175,378.11	154,152.00	2023/4/1
32	Fuzhou Nice Villa (福州有墅)	Fuzhou	161,008.40	25.50%	Residential	258,248.00	146,971.44	2020/6/30
33	Xuzhou Xinyi Project (徐州新沂項目)	Xuzhou	61,481.00	100.00%	Residential	138,020.31	136,432.31	2023/10/1
34	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	Hangzhou	105,869.00	34.00%	Residential	401,643.12	128,285.62	2023/6/1
35	Mengcheng South New Area plot (蒙城城南新區地塊)	Mengcheng	59,025.40	38.50%	Residential	146,327.00	126,413.98	2023/12/1
36	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	Suzhou	56,566.40	45.00%	Residential	167,260.08	125,567.18	2023/5/1
37	Suzhou Science City Project (蘇州科技城項目)	Suzhou	57,164.00	23.26%	Residential	163,750.61	125,533.99	2023/12/1
38	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	Hangzhou	45,439.00	5.00%	Residential	187,462.43	124,450.79	2024/5/1
39	Lianyungang Urban Park West District (連雲港海納春江西區)	Lianyungang	50,894.00	100.00%	Residential	126,761.78	123,514.78	2023/9/1
40	Pingtian Lanchen (平潭瀾宸)	Fuzhou	66,431.00	100.00%	Residential	191,194.23	118,620.49	2021/8/1
41	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	Shaoxing	248,819.00	100.00%	Residential	817,520.32	110,526.04	2020/5/10
42	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	Hangzhou	24,072.00	20.86%	Commercial	112,587.20	109,103.28	2024/2/1
43	Linquan Junyue Mansion (臨泉君樾府)	Fuyang	72,055.00	32.73%	Residential	205,106.45	107,193.08	2022/12/1
44	Fuzhou Heshang Project (福州鶴上項目)	Fuzhou	41,088.00	100.00%	Residential	125,294.80	107,043.03	2023/1/1
45	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	Suzhou	118,623.10	26.00%	Residential	207,599.84	106,057.66	2021/11/1
46	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	Wenzhou	42,663.00	100.00%	Residential	128,980.97	105,225.90	2023/7/1
47	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	Hangzhou	30,894.00	34.00%	Residential	106,539.05	96,582.23	2023/9/1

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
48	Lianyungang Urban Park East District (連雲港海納春江東區)	Lianyungang	39,085.00	100.00%	Residential	99,242.78	95,548.63	2023/9/1
49	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	Qingdao	76,170.00	15.00%	Residential	298,697.00	95,034.93	2023/2/1
50	Nanjing Wanke Du Hui Tian Di (南京萬科都薈天地)	Nanjing	108,521.76	7.14%	Residential	643,841.00	89,743.12	2020/1/20
51	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	Huzhou	70,277.00	50.00%	Residential	187,968.94	87,013.73	2022/3/1
52	Tianjin West Coast (天津西海岸)	Tianjin	106,043.80	100.00%	Residential	181,915.76	86,032.22	2022/7/1
53	Shanghai Meiluo Residential Community (上海市寶山區美羅家園大型居住社區)	Shanghai	41,076.70	30.00%	Residential	116,693.84	84,979.23	2023/11/1
54	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	Hangzhou	53,082.00	100.00%	Residential	196,110.84	81,816.20	2024/3/1
55	Wenzhou Rongwang (溫州榮望)	Wenzhou	57,018.20	26.00%	Residential	203,717.00	76,303.66	2022/12/1
56	Xingfu Li • East County (幸福里•東郡)	Fuyang	86,710.00	49.50%	Residential	293,513.86	75,556.34	2020/6/30
57	Lianyungang Mansion (連雲港學院府)	Lianyungang	72,107.00	65.00%	Residential	229,177.50	74,997.42	2022/10/1
58	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	Nanjing	82,627.65	44.90%	Residential	201,690.70	71,283.15	2020/3/31
59	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	Hangzhou	104,698.00	25.50%	Residential	323,030.28	65,481.84	2021/5/31
60	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	Chengdu	64,451.53	40.00%	Residential	203,897.46	65,345.04	2024/3/1
61	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	Mianyang	69,709.00	50.00%	Residential	235,734.00	65,343.06	2023/9/1
62	Nantong Lan Chen (南通瀾宸)	Nantong	86,194.00	100.00%	Residential	160,034.00	64,707.16	2022/4/1
63	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	Fuzhou	19,930.00	40.00%	Residential	66,423.56	59,620.83	2022/11/1
64	Putian Ronshine Yuezhu (莆田融信悅著)	Putian	31,539.00	40.00%	Residential	71,421.03	59,461.48	2023/1/1
65	Tianjin Jinnan (天津津南府)	Tianjin	68,970.00	100.00%	Residential	150,179.65	58,830.13	2022/11/1
66	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	Suzhou	58,150.00	77.52%	Residential	185,930.00	58,340.56	2022/6/1
67	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	Shanghai	24,377.60	34.00%	Residential	109,645.75	57,551.81	2024/1/1
68	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	Shaoxing	56,841.00	66.67%	Residential	132,104.65	57,040.10	2022/4/1
69	Chengdu Qingyang 23 mu (成都青羊23畝)	Chengdu	15,265.00	100.00%	Residential	61,140.74	54,160.16	2022/11/1
70	Fuyang Linquan Project (阜陽臨泉項目)	Fuyang	92,155.95	27.50%	Residential	235,107.00	54,074.61	2022/11/1
71	Fuzhou Yongtai Project (福州永泰項目)	Fuzhou	45,253.00	20.00%	Residential	126,402.00	51,175.06	2023/1/1
72	Suzhou Haiyue Pingjiang (蘇州海月平江)	Suzhou	26,930.70	48.08%	Residential	90,430.01	47,561.18	2021/10/1

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
73	Shanghai Century One Mile (上海世紀古美)	Shanghai	37,509.00	51.00%	Residential	122,140.16	46,198.13	2022/10/1
74	Shanghai Parallel Impression (上海海納印象)	Shanghai	52,929.90	100.00%	Residential	175,969.12	45,998.73	2023/5/1
75	Hangzhou Sandun North Project (杭州三墩北項目)	Hangzhou	27,208.00	49.00%	Residential	121,751.40	44,237.55	2023/3/1
76	Yue Zhen Mansion (樾臻府)	Hangzhou	25,998.00	24.90%	Residential	85,201.60	43,834.86	2023/6/1
77	Hangzhou Aoshi Mansion (杭州傲世邸)	Hangzhou	21,750.00	100.00%	Residential	93,152.02	42,858.72	2023/10/1
78	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	Nanjing	54,173.00	10.00%	Residential	268,213.67	42,047.27	2021/1/25
79	Chongqing Haiyue Pinghu (重慶海月平湖)	Chongqing	37,791.00	100.00%	Residential	95,045.18	40,538.54	2021/3/1
80	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	Putian	27,083.61	40.00%	Residential	124,395.65	40,406.30	2022/11/1
81	Mengcheng Junyue Mansion (蒙城君樾府)	Mengcheng	52,666.00	32.73%	Residential	132,204.00	39,181.33	2022/12/1
82	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	Lishui	51,255.00	12.50%	Residential	165,609.00	38,277.65	2022/11/1
83	Hailiang • Yuchen (海亮 • 御宸)	Xi'an	27,695.33	29.57%	Residential	92,011.48	37,926.09	2022/12/1
84	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	Quzhou	43,329.00	45.00%	Residential	103,709.58	37,695.89	2022/1/1
85	Fuzhou Lan Bay (福州瀾灣)	Fuzhou	26,312.00	100.00%	Residential	57,327.16	35,257.64	2022/12/1
86	Haining Lanting Qihang (海寧瀾庭啟杭)	Haining	44,887.00	100.00%	Residential	149,663.86	36,252.06	2021/6/1
87	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	Wenzhou	43,630.00	28.00%	Residential	156,072.00	34,599.95	2023/1/1
88	Qingdao Manshan Lanting (青島嶼山蘭亭)	Qingdao	94,800.00	22.00%	Residential	211,105.37	33,173.09	2021/9/1
89	Shanghai Zhongxing Road (上海中興路)	Shanghai	31,034.10	50.00%	Residential	149,836.40	32,924.79	2021/12/31
90	Nanjing 2019G94 (南京2019G94)	Nanjing	53,456.21	100.00%	Residential	99,146.42	32,723.29	2022/5/1
91	Changshu Project (常熟項目)	Suzhou	37,132.00	60.00%	Residential	97,367.29	31,877.73	2023/5/1
92	Guangzhou Tianyue (廣州天樾府)	Guangzhou	28,001.00	100.00%	Residential	117,382.53	30,493.41	2020/5/23
93	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	Zhengzhou	11,666.39	100.00%	Residential	31,262.35	30,433.32	2020/8/1
94	Kunshan Yulan Residence (昆山玉蘭公館)	Suzhou	76,671.70	50.00%	Residential	280,319.55	30,270.35	2020/1/30
95	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	Dazhou	34,250.00	47.50%	Residential	86,540.21	30,248.76	2022/10/1
96	Chongqing Lan Bay (重慶瀾灣)	Chongqing	117,541.00	100.00%	Residential	332,507.30	30,085.29	2020/5/31
97	Zhangzhou No. 1 (漳州壹號府)	Zhangzhou	52,438.88	100.00%	Residential	193,925.15	30,037.01	2021/3/2
98	Chongqing Kaizhou Project (重慶開州項目)	Chongqing	61,133.64	50.00%	Residential	358,289.21	29,384.85	2021/8/1
99	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	Chengdu	6,364.00	100.00%	Residential	33,717.07	27,303.81	2023/10/1
100	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城-蘇派-4)	Zhengzhou	8,659.82	100.00%	Residential	25,979.46	25,979.46	2020/8/1
101	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	Putian	24,035.00	19.60%	Residential	85,493.50	25,226.33	2022/11/1

Business Review and Outlook

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate gross floor area ("GFA") (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
102	Changtai Luxi County (長泰鷺西郡)	Zhangzhou	24,000.00	100.00%	Residential	81,453.33	24,205.34	2022/8/1
103	Tianjin Lanyue 4 (天津瀾悅4號)	Tianjin	27,184.00	50.00%	Residential	71,610.68	24,062.79	2023/2/1
104	Nanjing 2019G87 (南京2019G87)	Nanjing	49,829.00	33.00%	Residential	195,888.60	23,439.56	2022/4/1
105	Mengcheng Age Xingfu Li (蒙城時代幸福里)	Mengcheng	71,359.39	26.40%	Residential	180,133.00	23,368.46	2020/6/1
106	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	Shaoxing	19,403.00	100.00%	Residential	51,471.16	22,764.84	2021/8/1
107	Haining Lanting (海寧瀾庭)	Jiaxing	52,780.00	100.00%	Residential	110,992.64	22,651.22	2020/12/1
108	Yunhe Commercial 43 Lot (運河商業43號地塊)	Hangzhou	8,477.00	65.70%	Office	42,247.07	20,590.72	2023/1/1
109	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	Quzhou	66,696.00	14.99%	Residential	165,475.00	20,405.28	2023/3/1
110	Tongling Lanshan Fu (銅陵瀾山府)	Tongling	60,475.00	44.55%	Residential	161,075.00	20,092.46	2020/6/30
111	Baoding Jinyue City (保定金悅城)	Baoding	36,806.00	38.91%	Residential	130,858.84	19,933.90	2021/12/1
112	Nanjing Qinglan (南京青瀾)	Nanjing	19,447.24	100.00%	Residential	63,615.24	19,500.35	2022/11/1
113	Chengdu Lan Sky (成都瀾天)	Chengdu	22,731.50	100.00%	Residential	82,303.63	16,432.55	2020/9/1
114	Shanghai Yangpu Lot (上海楊浦平涼地塊)	Shanghai	16,112.30	40.40%	Commercial	81,398.21	15,842.44	2020/9/1
115	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	Wenzhou	24,251.70	34.00%	Residential	101,043.13	15,337.26	2022/1/1
116	Wenzhou Jinlin House (溫州金麟府)	Wenzhou	44,518.00	34.00%	Residential	116,896.22	15,235.66	2021/6/1
117	Hangzhou Canal New City Project (杭州運河新城項目)	Hangzhou	30,626.00	100.00%	Residential	101,845.00	14,364.39	2023/3/1
118	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	Hangzhou	48,543.00	100.00%	Residential	131,391.96	14,288.41	2019/12/31
119	Putian Ronshine (莆田融信府)	Putian	37,289.36	100.00%	Residential	125,867.40	13,939.07	2021/1/17
120	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	Hangzhou	53,417.00	67.00%	Residential	220,648.36	13,328.05	2021/5/31
121	Zhengzhou Jiangwancheng-Delan-3 (鄭州江灣城-德藍-3)	Zhengzhou	5,097.42	100.00%	Residential	12,937.20	12,937.20	2026/4/1
122	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	Hangzhou	11,417.00	20.00%	Residential	40,862.21	11,903.86	2023/2/1
123	Chengdu Ruilian (成都瑞聯)	Chengdu	19,580.00	33.00%	Residential	62,114.68	11,354.97	2021/6/30
124	Jiangmen Mansion (江門學院府)	Jiangmen	46,153.55	50.00%	Residential	187,752.90	10,358.10	2022/4/1
125	Chang'an XiYue (長安熙悅)	Xi'an	63,448.10	7.04%	Residential	308,723.23	9,906.05	2021/7/30
126-242			7,881,786.50			23,181,495.72	114,793.90	
Total			17,317,024.26			51,469,825.56	14,391,107.67	
Attributable total			10,250,611.27			30,277,645.11	9,125,637.29	

Business Review and Outlook

OVERVIEW AND OUTLOOK

Market Review

In the first half of 2022, China suffered a relapse of the COVID-19 pandemic (the “**Pandemic**”). After steady growth in the first quarter, the economic activities slowed down in the second quarter due to the impact of the Pandemic, resulting in increased downward pressure on the economy. The central government vigorously implemented a series of policies to stabilize the economy. With the Pandemic under control and the resumption of work and production, the economic data in June showed signs of stabilization and recovery. In the first half of the year, the gross domestic product (“**GDP**”) increased by 2.5% year-on-year, demonstrating an overall steady recovery.

During the Period, in order to stimulate the demand in the real estate market, local governments actively implemented city-specific measures and frequently introduced policies to ease real estate regulation, such as lowering the down payment ratio and mortgage interest rates, as well as canceling housing purchase restrictions. According to the data from the National Bureau of Statistics, from January to June 2022, the sales of commercial housing was RMB6,607.2 billion, representing a year-on-year decrease of 28.9%; the sales area of commercial housing was 689.23 million sq.m., representing a year-on-year decrease of 22.2%. Meanwhile, the sales of commercial housing continued to rebound from May to June 2022, narrowing the year-on-year decline.

Business Review

Under the circumstances that Shanghai and other cities were affected by the pandemic and the real estate market has been going down, the Group remained focused on the Yangtze River Delta and the Western Coast of the Straits, ensured project development and delivery, and strengthened its business advantages in strategic areas. During the Period, the Group recorded contracted sales of RMB38.7 billion, representing a year-on-year decrease of 53%; contracted gross floor area of approximately 1.73 million sq.m. and average contracted sales price of RMB22,353 per sq.m.. During the Period, the Group launched a number of new projects, which received positive response from the market due to innovative product and excellent quality. In particular, the Group was ranked the fourth in sales both in Hangzhou and Fuzhou, which reflected that the quality projects of the Group were highly recognized by the market.

In respect of land reserves, the Group adhered to the principle of making progress while ensuring stability, focusing on the first- and second-tier cities such as Shanghai and Hangzhou, so as to strengthen its resilience in the downturn of the real estate market. As at 30 June 2022, the Group had a total of 242 projects nationwide with total land reserves of approximately 25.27 million sq.m.. Among them, the Yangtze River Delta region and the first- and second-tier cities accounted for 44% and 83%, respectively. The Group will continue to deepen the cultivation of high-quality projects in existing core cities, optimize resource allocation, improve operational efficiency and project profitability and make use of the synergies of regional business advantages to improve its brand influence.

Business Review and Outlook

As the risks in the industry continued to increase this year, the Group continued to adhere to a prudent development strategy, reduce its financial leverage in an orderly manner and conduct proper cash flow management. As at 30 June 2022, the balance of interest-bearing liabilities of the Group was RMB45.2 billion, the net gearing ratio was 70%, and the debt-to-asset ratio after deducting contracted liability was 69%. The Group is committed to optimizing its debt structure and actively repaying its debts. During the Period, the Group repurchased senior notes in the secondary market and made repayment on time of a number of maturing public bonds, including US\$200 million and US\$500 million senior notes due in February and March 2022, as well as RMB1,225 million and RMB1,050 million asset-backed securities (“ABS”) due in March and April 2022. At the same time, the Group focused on transparency management and actively maintained communication with the market through voluntary announcements, investor relations activities, etc. In addition, the Group adopted a number of measures to ensure stable operations and enhance liquidity, including but not limited to strengthening sales and cash collection, expanding diversified financing channels, reasonably reducing operating costs, negotiating for extensions of some existing debts, and disposal of certain assets. Since the second half of 2021, the Group has cumulatively made a net repayment of nearly RMB30 billion on public bonds, various types of interest-bearing debts and interest thereon, fully demonstrating the Group’s strong willingness and unremitting efforts to repay its debts.

In spite of all the challenges, the Group continued to improve its operation capability as well as product and service quality. It received widespread attention and recognition from the industry and the market, winning a number of awards during the first half of the year. In March, the Group was awarded the “Top 21 Real Estate Development Enterprises of 2022 in Comprehensive Capability” and “No. 3 China Real Estate Development Enterprises of 2022 in Comprehensive Development”. In July, it was honored as the “21st Century Excellent Golden-Brick Cases of Real Estate Competitiveness in 2022”. In addition, with respect to comprehensive product design, the Group strived to meet the needs of different customer groups. Earlier this year, Shanghai Four Seasons (上海海月四季) won the “2021 IDA Design Award of the U.S.”; Hangzhou Rivers Mansion (杭州江河盛會) won the “Platinum Award of the 2022 TITAN Property Award” in April, making it internationally renowned for its creative design and Ronshine quality.

While adhering to the strategy of deep cultivation in key cities and enhancing comprehensive capability, the Group has always focused on the sustainable development of the enterprise and the city, and actively practiced corporate social responsibility in environmental, social and governance aspects. During the Pandemic, the Ronshine Public Welfare Foundation provided the affected areas with household goods, anti-pandemic materials and other support, and launched public welfare haircut and public welfare farming actions. The Group also upheld its commitment to delivery. On one hand, it simplified the delivery process through the one-stop window and arranged inspector throughout the inspection and acceptance process to enhance customers’ experience. On the other hand, it increased the delivery efforts and cumulatively completed more than 15,000 deliveries in the first half of the year. During the Period, the Group was awarded the “Best ESG Award” by Zhitong Caijing and Royalfly Finance, demonstrating the Group’s far-reaching impact on the society.

Business Review and Outlook

Prospects

In the first half of 2022, although the sales of the real estate market declined compared with the same period of last year, such decline narrowed since May and June. The market expects that the central government will implement more policies to stabilize the real estate market, with the goal of “guaranteeing the delivery of properties” to enhance the confidence of house buyers, and increase credit supply to real estate companies. The Group will endeavor to ensure the smooth progress of every project and fulfill its commitment to the property owners.

Going forward, the Group will continue to deeply cultivate Yangtze River Delta and other regions, strengthen its advantages in in-depth layout, and actively respond to market opportunities and challenges with its persistence in enhancing the quality of products and services. The Group will aim for long-term and stable development, realize the vision of “becoming a leading, high-quality property developer and service provider offering an ideal lifestyle”, and create more value to thank all shareholders for their continuous support and trust in the Group.

Management Discussion and Analysis

SUMMARY OF OPERATING RESULTS

	For the six months ended 30 June		Change in percentage
	2022	2021	
Contracted sales			
Contracted sales amount (RMB'000) ⁽¹⁾	38,737,406	82,966,121	-53.31%
Contracted gross floor area (sq.m.)	1,733,013	4,034,465	-57.04%
Average unit price of contracted sales (RMB/sq.m.)	22,353	20,564	8.70%
Property delivered			
Revenue from delivery of properties (RMB'000)	13,102,795	20,858,476	-37.18%
Delivered gross floor area (sq.m.)	908,040	1,593,536	-43.02%
Recognised average selling price of properties delivered (RMB/sq.m.)	14,430	13,089	10.25%
Revenue (RMB'000)	14,251,647	21,739,463	-34.44%
Cost of Sales (RMB'000)	(14,048,541)	(19,564,058)	-28.19%
Gross profit (RMB'000)	203,106	2,175,405	-90.66%
Other income and other gain or losses (RMB'000)	(820,934)	417,681	-296.55%
(Loss)/Profit before income tax (RMB'000)	(4,210,928)	1,628,757	-358.54%
(Loss)/Profit for the period (RMB'000)	(4,570,465)	1,040,403	-539.30%
– attributable to owners of the Company (RMB'000)	(4,429,232)	684,511	-747.07%
– attributable to non-controlling interests (RMB'000)	(141,233)	355,892	-139.68%
Gross profit margin ⁽²⁾	1.43%	10.01%	-85.71%
Net profit margin ⁽³⁾	-32.07%	4.79%	-769.52%
Total assets (RMB'000)	218,641,824	246,609,711	-11.34%
Total liabilities (RMB'000)	176,950,811	193,920,557	-8.75%
Total equity (RMB'000)	41,691,013	52,689,154	-20.87%
Capital and reserve attributable to owners of the Company (RMB'000)	13,760,271	17,694,060	-22.23%
Current ratio ⁽⁴⁾	1.33 times	1.50 times	-11.47%
Gearing ratio ⁽⁵⁾	0.70	0.75	-6.67%

Management Discussion and Analysis

Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net profit margin is based on net profit divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

PROPERTY DEVELOPMENT

Contracted Sales

For the six months ended 30 June 2022, the Group and its joint ventures and associates achieved contracted sales of RMB38,737.41 million, representing a decrease of approximately 53.31% compared with RMB82,966.12 million for the six months ended 30 June 2021. This decrease was mainly attributable to the decrease in the total gross floor area of the Group's contracted sales by approximately 57.04% from 4,034,465 sq.m. for the six months ended 30 June 2021 to 1,733,013 sq.m. for the six months ended 30 June 2022.

The following table sets forth details of the contracted sales of the Group (including its joint ventures and associates) for the six months ended 30 June 2022:

	Amount	Percentage	Total gross floor area ("GFA")	Percentage	Average Selling price
	RMB million	%	sq.m.	%	RMB/sq.m.
Shanghai	9,845.52	25.42	112,895.71	6.51	87,208.94
Hangzhou	8,019.61	20.70	213,924.39	12.34	37,488.04
Fuzhou	5,099.62	13.16	277,119.22	15.99	18,402.26
Nanjing	1,455.26	3.76	70,102.41	4.05	20,758.99
Qingdao	1,407.03	3.63	85,850.54	4.95	16,389.29
Suzhou	1,285.01	3.32	60,517.97	3.49	21,233.59
Chongqing	1,104.70	2.85	87,851.56	5.07	12,574.68
Chengdu	1,087.93	2.81	65,597.87	3.79	16,584.78
Fuyang	931.27	2.40	89,930.00	5.19	10,355.54
Others	8,501.46	21.95	669,223.35	38.62	12,703.47
Total	38,737.41	100.00	1,733,013.02	100.00	22,352.63

Management Discussion and Analysis

Projects completed

For the six months ended 30 June 2022, the Group (including its joint ventures and associates) completed a total of 15 projects or phases of projects, with total GFA of 1,995,995.70 sq.m. (1,254,426.95 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Projects under construction

As at 30 June 2022, the Group (including its joint ventures and associates) had a total of 106 projects or phases of projects under construction, with total planned GFA of 18,612,545.69 sq.m. (9,949,249.59 sq.m., after taking into account the interests of owners of the Company in the relevant projects).

Land reserve

As at 30 June 2022, the total GFA of the Group's land reserve (including its joint ventures and associates) was 25.27 million sq.m., among which, 11.18 million sq.m. were completed properties held for sale, 13.19 million sq.m. were under construction and 0.9 million sq.m. were held for future development.

As at 30 June 2022, the cost per sq.m. of the Group's land reserve (including its joint ventures and associates) was RMB8,087.13. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its stable sales performance and cash flow in the future.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 30 June 2022:

City	Project Name	Total	Remaining	Average cost
		land value of reserve	GFA of reserve (excluding self-owned)	
		<i>RMB million</i>	<i>10,000 sq.m.</i>	<i>RMB/sq.m.</i>
Fuzhou	Fuzhou China Legend (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	2,484	30	6,065
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	3,030	64	1,610
Fuzhou	Fuzhou Nice Villa (福州有墅)	300	5	486
Xiamen	Xiamen Boyue Bay (廈門鉑悅灣)	1,546	4	23,207
Shanghai	Shanghai Platinum (上海鉑爵)	175	2	15,409
Shanghai	Shanghai Zhongxing Road (上海中興路)	2,621	6	100,091
Nanjing	Nanjing Boan Center (南京鉑岸中心)	2,388	30	2,515
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	431	5	13,576
Zhangzhou	Zhangzhou No. 1 (漳州壹號府)	162	2	10,897
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	328	6	12,842

Management Discussion and Analysis

City	Project Name	Total	Remaining	Average cost per sq.m.
		land value of reserve	GFA of reserve (excluding self-owned)	
		RMB million	10,000 sq.m.	RMB/sq.m.
Tianjin	Tianjin West Coast (天津西海岸)	637	16	8,238
Tianjin	Tianjin Jinnan (天津津南府)	659	12	12,959
Putian	Putian Ronshine (莆田融信府)	110	3	10,032
Guangzhou	Guangzhou Tianyue (廣州天樾府)	353	4	14,999
Xiamen	Xiamen Century (廈門世紀)	58	1	5,101
Chongqing	Chongqing Lan Bay (重慶瀾灣)	182	31	2,577
Hangzhou	Hangzhou Lan Sky (Konggang (杭州瀾天(空港)))	117	9	30,816
Shaoxing	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	810	25	912
Hangzhou	Hangzhou Century (杭州世紀)	1,138	4	12,130
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	1,161	3	9,464
Nanjing	Nanjing Wanke Du Hui Tian Di (南京萬科都荟天地)	363	1	8,467
Nanjing	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	221	14	40,542
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	2,158	4	24,704
Hangzhou	Hangzhou Wanke Zhong Cheng Hui (杭州萬科中城匯)	516	4	7,340
Fuzhou	Fuzhou Wanke Zhen Lu Yuan (福州萬科臻麓園)	256	34	470
Zhengzhou	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城—蘇派—1)	1,931	2	21,973
Fuzhou	Fuzhou Lan Sky (福州瀾天)	158	6	4,324
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	416	3	16,005
Hangzhou	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	293	3	714
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	55	3	1,984
Fuyang	Xingfu Li • East County (幸福里 • 東郡)	112	5	2,235
Xi'an	Chang'an XiYue (長安熙悅)	82	2	446
Zhenjiang	Jurong Tianyuefu Project (句容天悅府)	112	3	4,837
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望NEO1)	305	4	31,551
Jiaxing	Haining Lanting (海寧瀾庭)	155	3	7,200

Management Discussion and Analysis

City	Project Name	Total	Remaining	Average cost per sq.m.
		land value of reserve	GFA of reserve (excluding self-owned)	
		RMB million	10,000 sq.m.	RMB/sq.m.
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季朧玥華府)	265	5	5,599
Hangzhou	Hangzhou Xianghu Yuezhang (杭州湘湖悅章)	848	9	17,134
Huzhou	Anji Yuejiang (安吉悅江府)	435	11	2,986
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城－中喬－1)	1,309	46	722
Chengdu	Chengdu Lan Sky (成都瀾天)	98	2	4,200
Mengcheng	Mengcheng Age Xingfu Li (蒙城時代幸福里)	27	1	2,102
Zhengzhou	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城－蘇派－2)	1,124	33	550
Qingdao	The Ocean Coastal (青島海月星灣)	728	18	3,504
Fuzhou	Fuzhou Park Left Bank Project (福州公園左岸)	88	1	21,731
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	150	3	25,397
Shanghai	Shanghai Yangpu Lot (上海楊浦平涼地塊)	365	0	7,687
Xi'an	Hailiang • Yuchen (海亮 • 御宸)	94	3	4,821
Zhengzhou	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城－德藍－1)	2,262	58	520
Zhengzhou	Zhengzhou Olympic Century-1 (鄭州奧體世紀－1)	426	23	2,264
Suzhou	Suzhou Haiyue Pingjiang (蘇州海月平江)	260	2	19,235
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	237	2	21,211
Wenzhou	Wenzhou Yueqing Boyuewan (溫州樂清柏悅灣)	183	3	8,216
Fuzhou	Changle Lanshan (長樂瀾山)	461	8	5,005
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	523	10	11,149
Jiangmen	Jiangmen Guoyue House (江門國樾府)	54	3	5,847
Hangzhou	Hangzhou Tianlang House (杭州天瑯府)	438	5	19,433
Huzhou	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	453	9	6,095
Wenzhou	Wenzhou Jinlin House (溫州金麟府)	32	1	8,500
Huzhou	Huzhou Rongjing Garden (湖州融璟園)	139	4	5,457
Jinhua	Tianyang River Mansion (天陽雲棲江境)	70	1	10,562
Tianjin	Tianjin Lanyue 3 (天津瀾悅3號)	203	1	13,001
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	312	4	11,742

Management Discussion and Analysis

City	Project Name	Total	Remaining	Average cost per sq.m. RMB/sq.m.
		land value of reserve RMB million	GFA of reserve (excluding self-owned) 10,000 sq.m.	
Changzhou	Changzhou Lanyue (常州瀾悅)	327	6	9,313
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	189	8	1,127
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	252	7	6,128
Fuzhou	Pingtian Lanchen (平潭瀾宸)	777	19	5,549
Jiujiang	Jiangxi Country Garden Jutang (江西碧桂園九棠)	403	9	5,167
Fuyang	Fuyang Linqun Project (阜陽臨泉項目)	82	1	2,115
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	250	5	5,546
Shaoxing	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	176	1	3,492
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	1,490	40	3,167
Jiangmen	Jiangmen Mansion (江門學院府)	349	8	4,800
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	285	3	13,004
Suzhou	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	212	4	6,843
Chengdu	Shui Nian River (水碾河)	108	0	13,500
Chengdu	Chengdu Ruilian (成都瑞聯)	270	2	14,300
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	270	6	9,600
Chongqing	Tan Zi Kou (灘子口)	42	1	9,255
Nantong	Nantong Lan Chen (南通瀾宸)	922	5	8,537
Fuzhou	Fuzhou CBD49 Lot (福州 CBD49地塊)	104	1	14,497
Suzhou	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	1,362	9	7,943
Shaoxing	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	572	4	8,510
Wenzhou	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	332	5	2,386
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	240	1	14,200
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	126	6	16,628
Nanjing	Nanjing 2019G87 (南京2019G87)	651	10	19,019
Nanjing	Nanjing 2019G94 (南京2019G94)	945	4	5,582
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	168	4	14,578
Hangzhou	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	241	26	3,134

Management Discussion and Analysis

City	Project Name	Total	Remaining	Average cost per sq.m.
		land value of reserve	GFA of reserve (excluding self-owned)	
		<i>RMB million</i>	<i>10,000 sq.m.</i>	<i>RMB/sq.m.</i>
Zhengzhou	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	1,252	44	1,355
Taiyuan	Taiyuan City of Times-1 (太原時光之城-1)	1,755	3	790
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	83	3	751
Zhengzhou	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	109	31	717
Zhengzhou	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	1,203	10	25,116
Hangzhou	Hangzhou Zhanwang (杭州展望)	1,537	5	5,383
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	194	18	3,901
Chongqing	Chongqing Kaizhou Project (重慶開州項目)	529	5	7,203
Wenzhou	Wenzhou Rongwang (溫州榮望)	322	18	2,961
Fuyang	Fuyang Yingzhou Project (阜陽穎州項目)	562	15	3,999
Lianyungang	Lianyungang Mansion (連雲港學院府)	558	9	14,197
Nantong	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	972	38	1,222
Taiyuan	Taiyuan City of Times-2 (太原時光之城-2)	1,288	13	17,388
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	885	2	8,634
Quzhou	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	155	6	16,088
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	413	10	23,558
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	892	6	7,932
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	349	38	13,521
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	3,220	4	3,578
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	242	6	17,439
Nanjing	Nanjing Qinglan (南京青瀾)	660	5	12,263

Management Discussion and Analysis

City	Project Name	Total land value of reserve <i>RMB million</i>	Remaining GFA of reserve (excluding self-owned) <i>10,000 sq.m.</i>	Average cost per sq.m. <i>RMB/sq.m.</i>
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	307	5	3,979
Baoding	Baoding Jinyue City (保定金悅城)	144	8	16,811
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	535	6	54,814
Shanghai	Shanghai Century One Mile (上海世紀古美)	525	4	22,578
Shanghai	Shanghai Four Seasons (上海海月四季)	247	8	2,855
Chongqing	Chongqing Kaizhou Fengtai 107 mu Project (重慶開州豐太107畝項目)	192	18	38,763
Shanghai	Shanghai Parallel Impression (上海海納印象)	1,885	10	897
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	207	7	2,592
Fuyang	Linqun Junyue Mansion (臨泉君樾府)	164	3	2,811
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	71	2	13,169
Lishui	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	136	4	1,662
Mengcheng	Mengcheng Junyue Mansion (蒙城君樾府)	81	13	5,121
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	513	2	8,281
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	133	5	3,903
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	92	4	3,650
Dazhou	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	110	2	14,075
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	287	2	12,859
Hangzhou	Yunhe Commercial 44 Lot (運河商業44號地塊)	154	4	72,000
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	1,317	4	3,343
Luzhou	Tianyu West Luzhou 46 mu (天譽瀘州城西46畝)	143	3	716
Zhengzhou	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城—蘇派—4)	94	1	751
Zhengzhou	Zhengzhou Jiangwancheng-Delan-3 (鄭州江灣城—德藍—3)	51	33	1,294
Taiyuan	Taiyuan City of Times-3 (太原時光之城—3)	1,250	6	6,662
Suzhou	Changshu Project (常熟項目)	189	1	25,962

Management Discussion and Analysis

City	Project Name	Total land value of reserve <i>RMB million</i>	Remaining GFA of reserve (excluding self-owned) <i>10,000 sq.m.</i>	Average cost per sq.m. <i>RMB/sq.m.</i>
Chengdu	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	228	8	5,718
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	58	8	2,048
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	222	12	2,932
Putian	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	43	2	2,784
Hangzhou	Yue Zhen Mansion (樾臻府)	75	2	4,375
Zhengzhou	Zhengzhou City of Times – 2 (鄭州時光之城–2)	825	15	2,501
Zhengzhou	Zhengzhou Olympic Century – 3 (鄭州奧體世紀–3)	814	16	3,485
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	698	7	14,784
Huzhou	Huzhou Xifengyang Project (湖州西鳳漾項目)	1,035	16	5,794
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	780	14	6,475
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	615	10	8,856
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	763	12	6,518
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	2,072	17	19,474
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	964	7	27,253
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	140	1	44,364
Hangzhou	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	196	3	13,890
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	260	2	12,278
Fuzhou	Fuzhou Lan Bay (福州瀾灣)	324	6	8,955
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	161	3	7,087
Fuzhou	Fuzhou Residence (福州國公館)	1,849	21	9,921
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	514	7	7,397

Management Discussion and Analysis

City	Project Name	Total land value of reserve <i>RMB million</i>	Remaining GFA of reserve (excluding self-owned) <i>10,000 sq.m.</i>	Average cost per sq.m. <i>RMB/sq.m.</i>
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	441	6	7,653
Wenzhou	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	730	13	7,607
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	123	3	4,796
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	454	5	10,498
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	270	3	18,699
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	72	14	3,360
Suzhou	Suzhou Science City Project (蘇州科技城項目)	333	4	15,647
Shanghai	Shanghai Meiluo Residential Community 0110-02 Lot of Unit 01 (上海市寶山區美羅家園大型居住社區01單元0110-02地塊)	344	4	22,340
Nantong	Nantong Chongchuan Park Road Lot (南通崇川園林路地塊)	506	7	13,340
Lanzhou	Lanzhou Yuelan Time's Trace (蘭州樂瀾•時光印)	279	8	709
Weinan	Weinan Wenquetai (渭南文關台)	88	6	2,393
Mengcheng	Mengcheng 2021-23 Lot (蒙城2021-23地塊)	155	6	1,752
Total		90,985	1,519	8,087

Note:

- (1) This represents the original land costs of these projects only, and did not reflect the fair value decrease that had been recognised upon acquisitions or consolidations by the Group during the six months ended 30 June 2022.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2022, the Group derived its revenue from (i) sales of properties in the People's Republic of China (the "PRC"); (ii) construction services provided to local PRC governments with respect to the construction of resettlement housing; and (iii) rental income and others. The following table sets forth the details of the Group's revenue recognised from such sources for the period indicated:

	For the six months ended 30 June		Change in percentage
	2022	2021	
	RMB'000	RMB'000	
Revenue			
Sales of properties	13,102,795	20,858,476	-37.18%
Construction services	552,119	446,445	23.67%
Rental income and others	596,733	434,542	37.32%
Total	14,251,647	21,739,463	-34.44%

The revenue of the Group decreased by approximately 34.44% from RMB21,739.46 million for the six months ended 30 June 2021 to RMB14,251.65 million for the six months ended 30 June 2022. This decrease was mainly attributable to:

- (i) the decrease in the total GFA of properties delivered by the Group by 43.02% from 1,593,536 sq.m. for the six months ended 30 June 2021 to 908,040 sq.m. for the six months ended 30 June 2022;
- (ii) the increase in revenue from construction services by 23.67% from RMB446.45 million for the six months ended 30 June 2021 to RMB552.12 million for the six months ended 30 June 2022;
- (iii) the rental income increased by 10.24% from RMB75.46 million for the six months ended 30 June 2021 to RMB83.19 million for the six months ended 30 June 2022. The others comprise mainly of revenue in consulting services, sales commissions and hotel operations. During the six months ended 30 June 2022, revenue from consulting services amounted to RMB166.02 million, the sales commission was RMB166.75 million, and revenue from hotel operations of the Group was RMB53.21 million.

Management Discussion and Analysis

Revenue generated from the sales of properties amounted to RMB13,102.80 million for the six months ended 30 June 2022. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the six months ended 30 June 2022:

	For the six months ended 30 June					
	2022			2021		
	Revenue	GFA delivered by the Group	Average selling price	Revenue	GFA delivered by the Group	Average selling price
	<i>RMB million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	<i>RMB million</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>
Fuzhou	3,304	175,083	18,872	2,165	101,634	21,302
Suzhou	2,649	126,506	20,939	1,439	66,043	21,789
Zhangzhou	1,916	187,921	10,196	178	40,800	4,373
Putian	1,354	93,996	14,408	–	–	–
Jiaxing	1,183	104,442	11,323	1,341	130,795	10,255
Others	2,697	220,092	12,253	15,735	1,254,264	12,545
Total	13,103	908,040	14,430	20,858	1,593,536	13,089

Cost of sales

The Group's cost of sales decreased by 28.19% from RMB19,564.06 million for the six months ended 30 June 2021 to RMB14,048.54 million for the six months ended 30 June 2022. This decrease mainly refers to the costs incurred directly from its property development activities, including cost of construction, land use rights, interest capitalized and tax surcharge.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by 90.66% from RMB2,175.41 million for the six months ended 30 June 2021 to RMB203.11 million for the six months ended 30 June 2022.

The Group's gross profit margin decreased from 10.01% for the six months ended 30 June 2021 to 1.43% for the six months ended 30 June 2022, primarily due to the significant decrease in the average gross profit margin of projects delivered by the Group.

Other income

The Group's other income primarily includes (i) interest income from loans to non-controlling interests and related parties; and (ii) deposits forfeited from some of the Group's prospective customers who breached the property purchase agreements. The Group's other income decreased by 22.76% from RMB256.71 million for the six months ended 30 June 2021 to RMB198.28 million for the six months ended 30 June 2022.

Management Discussion and Analysis

Other gains or losses – net

The Group's other gains or losses primarily include (i) gains or losses from financial assets at fair value through profit or loss; (ii) gains or losses from bond repurchase; (iii) gains or losses from disposal of subsidiaries; and (iv) gains or losses from disposal of associates and joint ventures. The Group incurred other losses of RMB1,019.22 million for the six months ended 30 June 2022 as compared to other gains of RMB160.97 million for the six months ended 30 June 2021. Such change was primarily attributable to losses from disposal of subsidiaries.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) marketing, advertising and commission costs; (iii) property management fees; and (iv) other costs including rental expenses and other miscellaneous fees and expenses.

The Group's selling and marketing costs increased by 14.42% from RMB640.54 million for the six months ended 30 June 2021 to RMB732.91 million for the six months ended 30 June 2022, primarily due to the increase in sales commission.

Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) other taxes; (iii) office and travel expenses; (iv) entertainment expenses; (v) consultation fees; (vi) office lease expenses; and (vii) others.

The Group's administrative expenses increased by 18.96% from RMB631.68 million for the six months ended 30 June 2021 to RMB751.47 million for the six months ended 30 June 2022, primarily due to the increase in payment to employees for loss of employment.

Fair value losses on investment properties

The Group recorded fair value losses of RMB37.76 million for the six months ended 30 June 2021 and fair value losses of RMB1,429.88 million for the six months ended 30 June 2022, primarily due to no actual gains or losses were generated by the time of evaluation since certain projects completed in the Period were preparing for leasing.

Finance income – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded a net finance income of RMB276.09 million for the six months ended 30 June 2021 and a net finance loss of RMB1,061.16 million for the six months ended 30 June 2022. This fluctuation was primarily due to exchange losses as a result of the appreciation of the exchange rate of US\$ against RMB.

Share of net profit of investments accounted for using the equity method

The Group's share of net profit of investments accounted for using the equity method increased by 449.73% from RMB69.55 million for the six months ended 30 June 2021 to RMB382.32 million for the six months ended 30 June 2022, primarily due to the increase in properties delivered by joint ventures.

Management Discussion and Analysis

Profit or loss before income tax

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss before income tax of RMB4,210.93 million for the six months ended 30 June 2022 as compared to a profit before income tax of RMB1,628.76 million for the six months ended 30 June 2021.

Income tax expenses

The Group's income tax expenses comprise provisions made for corporate income tax ("**CIT**") (including deferred income tax) and land appreciation tax ("**LAT**") in the PRC.

The Group's income tax expenses decreased by 38.89% from RMB588.35 million for the six months ended 30 June 2021 to RMB359.54 million for the six months ended 30 June 2022. Specifically, CIT (including deferred income tax) decreased by 51.85% from RMB520.4 million for the six months ended 30 June 2021 to RMB250.60 million for the six months ended 30 June 2022, and LAT increased by 60.38% from RMB67.92 million for the six months ended 30 June 2021 to RMB108.93 million for the six months ended 30 June 2022.

Profit or Loss for the Period attributable to owners of the Company

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss for the period of RMB4,429.23 million for the six months ended 30 June 2022 as compared to a profit for the period of RMB684.51 million for the six months ended 30 June 2021.

Profit or Loss for the Period attributable to non-controlling interests

The Group recorded a loss for the period attributable to non-controlling interests of RMB141.23 million for the six months ended 30 June 2022 as compared to a profit for the period attributable to non-controlling interests of RMB355.89 million for the six months ended 30 June 2021. The deterioration was primarily due to the decrease in gain recognized from disposal of properties under each projects (developed jointly with non-controlling interests) for the six months ended 30 June 2022.

FINANCING ACTIVITIES

Repayment of Notes and ABS

As at 24 February 2022, cancellation of the outstanding 10.5% senior notes due 2022 (the "**Notes**") repurchased by the Company in an aggregate principal amount of US\$193,900,000 was completed, representing approximately 38.78% of the aggregate principal amount of the Notes issued. The Notes matured on 1 March 2022 and was fully repaid by the Company.

On 25 February 2022, the Company announced that it has arranged all necessary funds to be remitted from its onshore bank accounts in the PRC to its offshore repayment account, to repay the outstanding Notes due to mature on 1 March 2022 (ISIN: XS1957481440) in the principal amount of US\$262,590,000 with accrued and unpaid interest of US\$23,965,725, amounting to US\$286,555,725.

Management Discussion and Analysis

On 27 April 2022, the Company announced that it has arranged funds of RMB726,878,000 to be remitted into a designated depository account to repay relevant ABS of the Company known as “中山證券 – 融信集團3期資產支持專項計劃” due to mature on 29 April 2022 in the senior principal amount of RMB716,835,000, senior interest amount of RMB9,385,520.66 and the relevant taxes and fees.

For more details, please refer to the announcements of the Company dated 20 February 2022, 22 February 2022, 24 February 2022, 25 February 2022 and 27 April 2022.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the Group's net current assets amounted to RMB47,562.55 million (31 December 2021: RMB60,586.73 million). Specifically, the Group's total current assets decreased by 11.54% from RMB217,867.61 million as at 31 December 2021 to RMB192,735.89 million as at 30 June 2022. The Group's total current liabilities decreased by 7.70% from RMB157,280.88 million as at 31 December 2021 to RMB145,173.34 million as at 30 June 2022. The decrease in the Group's total current assets was primarily attributable to the decrease in properties under development by 7.61% from RMB127,448.61 million as at 31 December 2021 to RMB117,746.23 million as at 30 June 2022.

As at 30 June 2022, the aggregated issued amount of the domestic corporate bonds was RMB8,599.33 million, representing 19.01% of the total borrowings of the Group.

PLEDGE OF ASSETS

As at 30 June 2022, the Group's borrowings were secured by the Group's assets of RMB39,931.51 million (31 December 2021: RMB43,774.57 million) which includes (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash; and (vi) investment property. Certain borrowings from financial institutions were also secured by the equity interests of certain subsidiaries.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 14 December 2021, Jiangsu Ronghua Property Development Co., Ltd. (江蘇融華置業有限公司) (the “**Project Company**”), a non-wholly-owned subsidiary of the Company which is owned as to 65% by the Group and 35% by an independent third party (the “**JV Partner**”), and the JV Partner as lenders entered into a loan agreement (as supplemented by two supplemental agreements dated 14 and 15 December 2021, respectively) with, among others, certain members of the Group as borrowers (the “**Borrowers**”), pursuant to which the Project Company and the JV Partner provided a loan in the total principal amount of RMB185 million (as to RMB130 million and RMB55 million by the Project Company and the JV Partner, respectively) to the Borrowers (the “**Intra-Group Loan**”). The Intra-Group Loan was guaranteed by, among others, Mr. Ou Zonghong (an executive director and a controlling shareholder of the Company) (“**Mr. Ou**”), and was secured by a security arrangement over 103,500,000 shares of the Company (representing approximately 6.15% of the total number of issued shares of the Company as at 14 December 2021 and 30 June 2022) held by Dingxin Company Limited (a controlling shareholder of the Company) by way of an escrow over the physical share certificates and undated share transfer documents in respect of such shares (the “**Arrangement**”).

On 3 August 2022, the parties entered into termination agreements to terminate the Intra-Group Loan and security arrangement thereof, including the personal guarantee provided by Mr. Ou and the security arrangement over the relevant shares held by Dingxin Company Limited, without liability to any party.

Management Discussion and Analysis

Due to misinterpretation of the requirements under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and unintentional oversight, the publication of the announcement pursuant to Rule 13.17 of the Listing Rules in relation to the Arrangement has been omitted and delayed. Going forward, to ensure a timely disclosure in compliance with the Listing Rules, the Company has taken the following remedial measures:

- (i) the Company has issued guidance letters to employees of its financing department reminding and explaining to them the relevant requirements under the Listing Rules and the reporting procedures for financing arrangements involving the pledging of shares by the controlling shareholder of the Company under the Listing Rules, and the importance of identifying such transactions prior to execution of any such financing arrangements;
- (ii) the legal department of the Company shall continue to oversee and monitor the Company’s on-going compliance with the Listing Rules; and
- (iii) the Group will arrange training sessions on compliance requirements of the Listing Rules so as to improve the standard of corporate governance and strengthen internal control procedures of the Company.

The Directors are of the view that the above measures could effectively prevent the occurrence of similar incidents in the future.

CONTINGENT LIABILITIES

The Group’s contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group’s properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to RMB25,688.46 million as at 30 June 2022 (31 December 2021: RMB28,956.42 million).

The Directors believe that, in case of a default by the Group’s purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one year to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

Current ratio

As at 30 June 2022, the current ratio of the Group was 1.33 times (31 December 2021: 1.39 times). The decrease of the Group’s current ratio was mainly attributable to the decrease of properties under development and completed properties held for sale.

Management Discussion and Analysis

Gearing ratio

As at 30 June 2022, the gearing ratio of the Group was 0.70 (31 December 2021: 0.66), mainly due to the decrease of total equity and cash and bank balances. This ratio is calculated as net borrowings divided by total equity as shown in the interim condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the interim condensed consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in first-tier cities in the PRC. There is no concrete plan for future investments in place as at the date of this report.

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. As at 30 June 2022, the Group's financial assets and liabilities denominated in currencies other than RMB were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB14,973.10 million. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to its shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSAL

On 18 February 2022, Shanghai Kaiyin Enterprise Company Limited* (上海愷胤實業有限公司) ("**Shanghai Kaiyin**"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Zhejiang Beize Group Company Limited* (浙江貝澤集團有限公司) ("**Zhejiang Beize**"), pursuant to which Shanghai Kaiyin has agreed to dispose of, and Zhejiang Beize has agreed to purchase, 55% of the equity interest of Ningbo Hailiang Property Investment Company Limited* (寧波海亮房地產投資有限公司) (the "**Target Company**", together with its subsidiaries and its invested entity, the "**Target Group**") for a consideration of RMB421,239,530.34 (the "**Disposal**").

The Disposal was completed on 18 February 2022. Upon completion of the Disposal, the Group no longer holds any interest in the Target Company and the Target Company and other members of the Target Group have ceased to be accounted as subsidiaries of the Group.

For more details, please refer to the announcement of the Company dated 18 February 2022.

Save as disclosed in this report, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

* For identification purpose only

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

Mr. He Jiarong was appointed as an independent non-executive Director, chairman of the audit committee of the Company (the “**Audit Committee**”), a member of the remuneration committee of the Company and nomination committee of the Company with effect from 15 August 2022 in replacement of Mr. Qu Wenzhou.

For further details, please refer to the announcements of the Company dated 22 July 2022 and 15 August 2022.

Save as disclosed in this report, the Group had no other material events after the Reporting Period and as of the date of this report.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 1,786 full-time employees (30 June 2021: 3,160 full-time employees). For the six months ended 30 June 2022, the staff cost recognised as expenses of the Group amounted to RMB602.51 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee’s qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group’s PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group’s employees have not negotiated their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2022, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

Corporate Governance and Other Information

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix 14 to the Listing Rules as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under the Corporate Governance Code during the six months ended 30 June 2022, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code as disclosed below.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong (“**Mr. Ou**”), an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou continues to act as the chairman and chief executive officer of the Group following the date upon which the Shares have been listed on the Main Board of the Stock Exchange, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for Directors’ dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2022.

SHARE OPTION SCHEME

The Company approved and adopted a share option scheme (the “**Share Option Scheme**”) on 28 December 2015. The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

Corporate Governance and Other Information

Details of the Share Option Scheme

(1) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors believe that the Share Option Scheme will enable the Group to reward its employees, the Directors and other selected participants for their contributions to the Group. It is expected that grantees of the options will make an effort to contribute to the development of the Group so as to bring about an increased market price of the shares of the Company ("**Shares**") in order to capitalise on the benefits of the options granted.

(2) Participants

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively the "**Eligible Participants**"):

- (i) any Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

(3) The maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 135,000,000 Shares (approximately 8.02% of the total number of Shares in issue as at 30 June 2022).

(4) The maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(5) Time of acceptance and exercise of option

An option may be accepted by a participant to whom the offer is made within 5 business days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Corporate Governance and Other Information

(6) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and
- (iii) the nominal value of a Share on the date of grant.

A nominal consideration of HK\$1 is payable upon acceptance of the grant of an option.

(7) The remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, i.e. 28 December 2015.

For further details of the Share Option Scheme, please refer to the section headed "Statutory and General Information – Other information – Share Option Scheme" in Appendix V to the prospectus of the Company dated 31 December 2015.

Details of the share option granted

On 5 January 2017, 81,140,880 share options were granted to certain Eligible Participants pursuant to the Share Option Scheme with an exercise price of HK\$5.96 per Share, exercisable from 5 January 2018 to 4 January 2022 in three tranches. The closing price immediately before the date of grant of such share options was HK\$5.98.

On 30 April 2019, a total of 26,571,973 share options were granted to certain Eligible Participants pursuant to the Share Option Scheme with an exercise price of HK\$10.80 per Share, exercisable from 5 January 2020 to 4 January 2022. The closing price immediately before the date of grant of such share options was HK\$10.82.

Corporate Governance and Other Information

As at 30 June 2022, there were no outstanding share options under the Share Option Scheme. Movements in the share options granted under the Share Option Scheme during the six months ended 30 June 2022 are as follows:

Name of grantee	Date of grant	Exercise price per Share (HK\$)	Exercise period	Balance as at 1 January 2022	Changes during the six months ended 30 June 2022				Balance as at 30 June 2022
					Granted	Exercised	Cancelled	Lapsed	
Directors									
Ms. Yu Lijuan	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	1,032,756	-	-	-	1,032,756	0
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,319,380	-	-	-	1,319,380	0
Ms. Zeng Feiyan	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	3,821,205	-	-	-	3,821,205	0
Mr. Ruan Youzhi	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	4,624,205	-	-	-	4,624,205	0
Mr. Zhang Lixin (Chief Financial Officer)	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	1,102,256	-	-	-	1,102,256	0
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,319,380	-	-	-	1,319,380	0
Others									
Mr. Ou Guofei ^(Note 3)	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	1,244,480	-	-	-	1,244,480	0
Other employees	5 January 2017	5.96	5 January 2018 to 4 January 2022 ^(Note 1)	7,794,895	-	-	-	7,794,895	0
	30 April 2019	10.80	5 January 2020 to 4 January 2022 ^(Note 2)	14,180,039	-	-	-	14,180,039	0
Total				36,438,596	-	-	-	36,438,596	0

Notes:

- (1) In respect of each grantee, the share options granted shall be vested in three tranches: (i) 30% of which shall be vested on the first anniversary of the date of grant, i.e. 5 January 2018; (ii) another 30% of which shall be vested on the second anniversary of the date of grant, i.e. 5 January 2019; and (iii) the remaining of which shall be vested on the third anniversary of the date of grant, i.e. 5 January 2020.
- (2) In respect of each grantee, 100% of the share options granted shall be vested on 5 January 2020.
- (3) Mr. Ou Guofei is the son of Mr. Ou, the Chairman and an executive Director, and therefore is an associate of Mr. Ou.

Save as disclosed above, no option was granted or agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme during the six months ended 30 June 2022.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, 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 its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

INTERESTS IN SHARES OF THE COMPANY

Name of Director	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Mr. Ou Zonghong ^(Note 2)	Beneficiary of a trust	1,123,974,411 (L)	66.77%
Mr. Ruan Youzhi ^(Note 3)	Beneficial owner	859,900 (L)	
	Interest of spouse	93,000 (L)	
	Total:	952,900 (L)	0.06%
Ms. Yu Lijuan	Beneficial owner	169,418 (L)	0.01%

Notes:

- (1) As at 30 June 2022, the Company issued 1,683,431,417 Shares. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Mr. Ou Zonghong is a beneficiary of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (the son of Mr. Ou) as the settlor with Mr. Ou being the protector and TMF (Cayman) Ltd. as the trustee. As at 30 June 2022, TMF (Cayman) Ltd. owned all the issued shares in Honesty Global Holdings Limited, which in turn owned all the issued shares in Dingxin Company Limited, which in turn held 1,123,974,411 Shares.
- (3) Mr. Ruan Youzhi ceased to be a director of the Company with effect from 15 August 2022.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Company, as at 30 June 2022, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than the Directors or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name of Shareholders	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Dingxin Company Limited ^(Note 2)	Beneficial owner	1,123,974,411 (L)	66.77%
Honesty Global Holdings Limited ^(Note 2)	Interest in controlled corporation	1,123,974,411 (L)	66.77%
TMF (Cayman) Ltd. ^(Note 2)	Trustee of a trust	1,123,974,411 (L)	66.77%
Mr. Ou Guofei ^(Notes 2, 3)	Settlor of a trust	1,123,974,411 (L)	66.77%
Ms. Xu Lixiang ^(Note 4)	Beneficiary of a trust/ Interest of spouse	1,123,974,411 (L)	66.77%

Notes:

- (1) As at 30 June 2022, the Company issued 1,683,431,417 Shares. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Dingxin Company Limited is wholly owned by Honesty Global Holdings Limited, which in turn is wholly owned by TMF (Cayman) Ltd., the trustee of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (as the settlor) with Mr. Ou Zonghong being the protector. Accordingly, each of Honesty Global Holdings Limited, TMF (Cayman) Ltd. and Mr. Ou Guofei is deemed to be interested in the Shares held by Dingxin Company Limited.
- (3) Mr. Ou Guofei is the son of Mr. Ou Zonghong.
- (4) Ms. Xu Lixiang is the spouse of Mr. Ou Zonghong and is therefore deemed under the SFO to be interested in the Shares held by Mr. Ou Zonghong.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any persons (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

Corporate Governance and Other Information

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, the Company did not repurchase its shares, but had made partial repurchases of its senior notes in the open market as follows:

USD bonds being repurchased during 2022:

Unit: USD

Senior notes	ISIN	Principal amount of senior notes being repurchased during the year	Cumulative principal amount of senior notes being repurchased	Aggregate principal amount of senior notes originally issued	Cumulative repurchased notes as a percentage of the senior notes originally issued
10.5% senior notes due 2022	XS1957481440	200,273,000	243,783,000	500,000,000	48.76%
8.95% senior notes due 2023	XS2031469732	2,000,000	7,000,000	420,000,000	1.67%
7.1% senior notes due 2025	XS2290308845	5,600,000	55,100,000	300,000,000	18.37%
Total		207,873,000	305,883,000	1,220,000,000	

The Group had also repaid the outstanding portion of the Notes and the ABS upon their maturity. Please refer to the section headed "Management discussion and analysis – Financing activities" in this interim report for further details.

Save as disclosed above, during the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Corporate Governance and Other Information

AUDIT COMMITTEE

The Board has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxingroup.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee currently consists of three members, namely Mr. He Jiarong, Mr. Ren Yunan and Mr. Ruan Weifeng, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. He Jiarong who possesses appropriate professional qualifications. The Audit Committee has reviewed the interim report and the interim results for the six months ended 30 June 2022. The interim results for the six months ended 30 June 2022 have not been audited but have been reviewed by Elite Partners CPA Limited, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

The auditor draws attention to Note 2 to the condensed consolidated financial statements, which states that as of 30 June 2022, the Group recorded net current assets of RMB47,563 million, and the Group's current portion of borrowings amounted to RMB15,004 million, while its cash and bank balances (excluding restricted cash and term deposits) amounted to RMB8,146 million. As stipulated in the announcement of the Company dated 10 July 2022, the Company experienced liquidity pressure. As such, the Company expected that its existing internal resources may be insufficient to address its upcoming debts. Such events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Their conclusion is not modified in respect of this matter.

The Audit Committee has discussed with the Company's management and auditor regarding the preparation of the condensed consolidated financial statements of the Company for the six months ended 30 June 2022 in this interim report on a going concern basis. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

By order of the Board

Ronshine China Holdings Limited

Ou Zhonghong

Chairman

Hong Kong, 31 August 2022

Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	7	14,251,647	21,739,463
Cost of sales		(14,048,541)	(19,564,058)
Gross profit		203,106	2,175,405
Selling and marketing costs		(732,905)	(640,535)
Administrative expenses		(751,476)	(631,675)
Fair value losses on investment properties	13	(1,429,882)	(37,757)
Other income	9	198,283	256,712
Other gains or losses	9	(1,019,217)	160,969
Operating (loss)/profit		(3,532,091)	1,283,119
Finance income	10	172,031	374,578
Finance costs	10	(1,233,188)	(98,487)
Finance (costs)/income — net	10	(1,061,157)	276,091
Share of net profit of investments accounted for using the equity method	14	382,320	69,547
(Loss)/profit before income tax		(4,210,928)	1,628,757
Income tax expenses	11	(359,537)	(588,354)
(Loss)/profit for the period		(4,570,465)	1,040,403
(Loss)/profit for the period attributable to:			
— Owners of the Company		(4,429,232)	684,511
— Non-controlling interests		(141,233)	355,892
		(4,570,465)	1,040,403
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share)			
— Basic	12	(2.63)	0.41
— Diluted	12	(2.63)	0.41

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	(4,570,465)	1,040,403
Other comprehensive income	—	—
Total comprehensive (expense)/income for the period	(4,570,465)	1,040,403
Total comprehensive (expense)/income for the period attributable to:		
— Owners of the Company	(4,429,232)	684,511
— Non-controlling interests	(141,233)	355,892
	(4,570,465)	1,040,403

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	1,172,417	1,189,219
Investment properties	13	11,597,258	12,718,617
Right-of-use assets	13	425,842	436,949
Intangible assets		2,507	3,154
Investments accounted for using the equity method	14	11,305,319	11,855,096
Financial assets at fair value through profit or loss	5.4	721,644	689,668
Deferred tax assets		680,951	679,527
Total non-current assets		25,905,938	27,572,230
Current assets			
Properties under development	15	117,746,227	127,448,610
Completed properties held for sale	15	16,177,198	18,887,113
Contract assets		676,668	1,227,244
Trade and other receivables and prepayments	16	23,943,194	32,650,953
Amounts due from related parties	27(d)	13,540,104	11,285,065
Prepaid taxation		3,964,939	3,864,324
Financial assets at fair value through profit or loss	5.4	521,913	448,854
Term deposits	17	3,065,000	3,852,874
Restricted cash	17	4,954,935	6,482,827
Cash and cash equivalents	17	8,145,708	11,719,745
Total current assets		192,735,886	217,867,609
Total assets		218,641,824	245,439,839
EQUITY			
Share capital	18	15	15
Share premium	18	3,082,681	3,082,681
Other reserves	19	10,677,575	15,221,902
Equity attributable to owners of the Company		13,760,271	18,304,598
Non-controlling interests		27,930,742	33,976,352
Total equity		41,691,013	52,280,950

Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	21	30,240,355	34,044,222
Lease liabilities		12,477	20,643
Deferred tax liabilities		1,524,640	1,813,146
Total non-current liabilities		31,777,472	35,878,011
Current liabilities			
Borrowings	21	15,004,367	22,733,699
Lease liabilities		18,742	13,175
Contract liabilities	22	83,772,320	90,094,226
Trade and other payables	23	30,845,019	29,594,152
Amounts due to related parties	27(d)	9,855,174	9,087,530
Current tax liabilities		5,677,717	5,758,096
Total current liabilities		145,173,339	157,280,878
Total liabilities		176,950,811	193,158,889
Total equity and liabilities		218,641,824	245,439,839

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserves	Statutory reserves	Share-based compensation reserves	Retained earnings	Subtotal	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 18)	(Note 18)	(Note 19)	(Note 19)	(Note 19)				
Six months ended 30 June 2022 (unaudited)									
Balance at 1 January 2022	15	3,082,681	851,583	2,026,441	82,076	12,261,802	18,304,598	33,976,352	52,280,950
Comprehensive expense									
— Loss for the period	—	—	—	—	—	(4,429,232)	(4,429,232)	(141,233)	(4,570,465)
— Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive expense	—	—	—	—	—	(4,429,232)	(4,429,232)	(141,233)	(4,570,465)
Disposals of subsidiaries	—	—	13,231	(128,326)	—	—	(115,095)	(1,874,271)	(1,989,366)
Capital injection from non-controlling interests	—	—	—	—	—	—	—	547,612	547,612
Capital reduction of the subsidiaries	—	—	—	—	—	—	—	(3,591,393)	(3,591,393)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	—	(986,325)	(986,325)
Balance at 30 June 2022	15	3,082,681	864,814	1,898,115	82,076	7,832,570	13,760,271	27,930,742	41,691,013

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
	Share	Share	Capital	Statutory	Share-based	Retained	Subtotal	Non-controlling interests	Total equity
	capital	premium	reserves	reserves	compensation	earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Note 18)	(Note 18)	(Note 19)	(Note 19)	(Note 19)					
Six months ended 30 June 2021 (unaudited)									
Balance at 1 January 2021	15	3,786,195	851,583	1,921,846	82,076	11,071,348	17,713,063	32,945,940	50,659,003
Comprehensive income									
— Profit for the period	—	—	—	—	—	684,511	684,511	355,892	1,040,403
— Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	684,511	684,511	355,892	1,040,403
Buy-back and cancellation of shares (Note 18)	—	(8,341)	—	—	—	—	(8,341)	—	(8,341)
Disposal of a subsidiary	—	—	—	—	—	—	—	(202,363)	(202,363)
Capital injection from non-controlling interests	—	—	—	—	—	—	—	2,377,850	2,377,850
Capital reduction of the subsidiaries	—	—	—	—	—	—	—	(16,500)	(16,500)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	—	(465,725)	(465,725)
Final dividend of 2020 (Note 20)	—	(695,173)	—	—	—	—	(695,173)	—	(695,173)
Balance at 30 June 2021	15	3,082,681	851,583	1,921,846	82,076	11,755,859	17,694,060	34,995,094	52,689,154

The above condensed consolidated statement of change in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	14,645,081	1,410,486
PRC corporate income tax paid	(614,960)	(915,869)
PRC land appreciation tax paid	(273,361)	(617,906)
Net cash from/(used in) operating activities	13,756,760	(123,289)
Cash flows from investing activities		
Payments for purchase of property and equipment and investment properties	(462,155)	(156,007)
Payments for purchase of intangible assets	(165)	(21)
Proceeds from disposal of intangible assets	171	—
Proceeds from disposal of property, plant and equipment	503	25,251
Proceeds from disposal of investment properties	—	94,985
Capital injections to joint ventures and associates	(131,642)	(394,859)
Proceeds from disposal of associates and joint ventures	355,769	—
Payments for acquisition of financial assets at fair value through profit and loss	(499,113)	(167,251)
Proceeds from disposal of financial assets at fair value through profit and loss	335,233	932,106
Cash advances to related parties	(5,130,208)	(7,679,192)
Repayments from related parties	2,875,169	5,695,191
Cash advances to third parties	—	(282,204)
Interest received	312,103	198,252
Decrease in term deposits	787,874	943,436
Net cash outflow from disposal of subsidiaries	(1,096,524)	(4,793)
Net cash used in investing activities	(2,652,985)	(795,106)

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash flows from financing activities		
Proceeds from borrowings	4,419,432	17,824,813
Repayments of borrowings	(13,856,400)	(17,457,550)
Cash advances from related parties	3,500,216	9,410,311
Repayments to related parties	(2,732,572)	(6,647,747)
Payments for buy-back and cancellation of shares	—	(8,341)
Capital injection from non-controlling interests	547,612	2,357,600
Capital reduction of the subsidiaries	(3,591,393)	—
Dividends paid to non-controlling interests	(986,325)	(180,539)
Interest paid	(2,268,737)	(2,774,282)
Principal elements of lease payments	(9,295)	(11,462)
Restricted cash pledged for borrowings	300,000	(139,755)
Dividends paid to the Company's shareholders	—	(16,213)
Net cash (used in)/generated from financing activities	(14,677,462)	2,356,835
Net (decrease)/increase in cash and cash equivalents	(3,573,686)	1,438,440
Cash and cash equivalents at beginning of the period	11,719,745	19,854,876
Exchange (losses)/gains on cash and cash equivalents	(351)	68
Cash and cash equivalents at end of the period	8,145,708	21,293,384

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

1 General information

Ronshine China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “**Group**”) are principally engaged in property development business in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is TMF (Cayman) Limited and the ultimate controlling shareholder of the Company is Mr. Ou Zonghong (“**Mr. Ou**”).

The Company’s shares were listed on the Main Board of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2016.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 Basis of preparation

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

Going concern basis

As of 30 June 2022, the Group recorded net current assets of RMB47,563 million, and the Group’s current portion of borrowings amounted to RMB15,004 million, while its cash and bank balances (excluding restricted cash and term deposits) amounted to RMB8,146 million.

Since the second half of 2021, the business environment of China’s real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry’s business environment. At the same time, the recent outbreak of the COVID-19 pandemic in Shanghai and other cities has brought enormous pressure on the Group’s operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or have the cash from external financing to meet its loan repayment obligations.

As stipulated in the announcement of the Company dated 10 July 2022, interest in the amount of US\$12,798,000 (equivalent to approximately RMB85,892,000) under the 8.1% senior notes due June 2023 (the “**June 2023 Notes**”) and interest in the amount of US\$15,067,500 (equivalent to approximately RMB101,124,000) under the 7.35% senior notes due December 2023 (the “**December 2023 Notes**”) were due on 9 June 2022 and 15 June 2022, respectively. The Company has a 30-day grace period to pay such interests.

Notes to the Condensed Consolidated Financial Statements

2 Basis of preparation (continued)

Going concern basis (continued)

Although the Company has tried its best to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group's operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty. As of the date of approval of these condensed consolidated financial statements, the Company has not made such repayments.

If the Company fails to perform the obligations of repaying the debts due and cannot agree on a consensual solution to the corresponding indebtedness with creditors in a timely manner, it may cause the relevant creditors to demand accelerated repayment of the obligations of the relevant debts or take enforcement actions.

The Company failed to pay the above interest upon expiry of the grace period and such non-payment continued, holders of at least 25% of the aggregate principal amount of the relevant outstanding senior notes at that time may, by written notice to the Company or the trustee, require the Company to pay the principal and accrued interest of the relevant outstanding senior notes immediately. As of the date of approval of these condensed consolidated financial statements, the Company has not received any notice regarding accelerated repayment from the holders of the June 2023 Notes or the December 2023 Notes.

In view of the aforesaid, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The above events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) the Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings. Subsequent to 30 June 2022, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing;
- (ii) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures; and
- (iv) the Group intends to engage external advisors to explore various feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts.

Notes to the Condensed Consolidated Financial Statements

2 Basis of preparation (continued)

Going concern basis (continued)

The Directors have reviewed the Group's cash flow projections prepared by the management of the Company, which cover a period of not less than twelve months from 30 June 2022. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2022. Accordingly, the directors are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing these condensed consolidated financial statements.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

3 Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, derivative financial instruments and investment properties, which are measured at fair value.

The accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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.

Notes to the Condensed Consolidated Financial Statements

4 Critical estimates and judgements

The preparation of the Group's condensed consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose to a variety of financial risks: market risk (include foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group operates in the PRC with most transactions being settled in RMB, which is the functional currency of the Group's companies, except for certain transactions which are settled in foreign currencies. As at 30 June 2022, the non-RMB assets and liabilities of the Group are mainly cash and bank balances denominated in United States Dollars ("**USD**") and Hong Kong Dollars ("**HK\$**"), financial assets at fair value through profit or loss ("**FVPL**") denominated in USD and HK\$, and borrowings denominated in USD. As at 30 June 2022, the Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021.

There have been no changes in the risk management policies since 31 December 2021.

Notes to the Condensed Consolidated Financial Statements

5 Financial risk management (continued)

5.2 Liquidity risk

Management of the Group aims to maintain sufficient cash and bank balances or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and bank balances and through having available sources of financing.

The table below sets out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 30 June 2022 (unaudited)					
Non-derivatives financial liabilities					
Borrowings (Note 21)	17,556,246	27,027,332	6,893,466	—	51,477,044
Trade and other payables, excluding accrual for staff costs and other taxes payable	21,867,143	—	—	—	21,867,143
Lease liabilities	19,822	8,522	3,276	—	31,620
Amounts due to related parties	9,855,174	—	—	—	9,855,174
	49,298,385	27,035,854	6,896,742	—	83,230,981

Notes to the Condensed Consolidated Financial Statements

5 Financial risk management (continued)

5.2 Liquidity risk (continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2021 (audited)					
Non-derivatives financial liabilities					
Borrowings (Note 21)	25,444,045	34,192,427	4,959,288	—	64,595,760
Trade and other payables, excluding accrual for staff costs and other taxes payable	20,898,724	—	—	—	20,898,724
Lease liabilities	14,854	12,568	2,705	934	31,061
Amounts due to related parties	9,087,530	—	—	—	9,087,530
	55,445,153	34,204,995	4,961,993	934	94,613,075

Note: Interests on borrowings were calculated on borrowings held as at 30 June 2022 and 31 December 2021, respectively. Floating-rate interests were estimated using the current interest rate as at 30 June 2022 and 31 December 2021, respectively.

The Group also provides guarantees to secure repayment obligations of certain purchasers of the Group's property units and the principal of borrowings of the joint ventures and associates, which will have contractual cash flows only if the guaranteed purchasers, joint ventures or associates default the repayment (Note 24).

Notes to the Condensed Consolidated Financial Statements

5 Financial risk management (continued)

5.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the owners, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current portions as shown in the condensed consolidated balance sheet) less cash and bank balances.

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Total borrowings (Note 21)	45,244,722	56,777,921
Less: cash and bank balances (Note 17)	(16,165,643)	(22,055,446)
Net borrowings	29,079,079	34,722,475
Total equity	41,691,013	52,280,950
Gearing ratio	69.7%	66.4%

Notes to the Condensed Consolidated Financial Statements

5 Financial risk management (continued)

5.4 Fair value estimation

The Group's financial assets include cash and bank balances, trade and other receivables, amounts due from related parties and financial assets at FVPL. The Group's financial liabilities include trade and other payables, amounts due to related parties and borrowings. The fair value for financial assets and liabilities with maturities of less than one year are assumed to approximate their carrying amounts due to their short term maturities.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to assess the fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's financial assets measured at fair value as at 30 June 2022 and 31 December 2021:

At 30 June 2022	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at FVPL	138,599	1,104,958	1,243,557

Notes to the Condensed Consolidated Financial Statements

5 Financial risk management (continued)

5.4 Fair value estimation (continued)

At 31 December 2021	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at FVPL	229,479	909,043	1,138,522

The FVPL were measured at fair value, which was grouped into level 3 and level 2 fair value measurements, subsequent to initial recognition. Specific valuation techniques are used to determine fair value for the financial assets, including discounted cash flow analysis.

The Group's policy was to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers among levels 1, 2 and 3 for fair value measurements.

6 Segment information

The executive Directors have been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the executive Directors, which are used to allocate resources and assess performance.

The Group is principally engaged in the property development in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the six months ended 30 June 2022 (six months ended 30 June 2021: same).

As at 30 June 2022, except for parts of term deposits and financial assets at FVPL, other assets of the Group were located in the PRC (31 December 2021: same).

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: same).

Notes to the Condensed Consolidated Financial Statements

7 Revenue

Revenue of the Group for the six months ended 30 June 2022 is as follow:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Revenue from sales of properties		
— Recognised at a point in time	13,102,795	20,858,476
Revenue from construction services, hotel operations and others:		
— Recognised at a point in time	513,548	252,421
— Recognised over time	552,119	553,110
Revenue from other sources — rental income	83,185	75,456
	14,251,647	21,739,463

8 Expenses by nature

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold (excluding staff costs)	13,999,076	19,283,109
Staff costs (including directors' emoluments)	602,514	571,695
Marketing, advertising and commission costs	314,105	323,251
Property management fees	157,178	171,899
Depreciation of property, plant and equipment and amortisation of intangible assets and right-of-use assets	61,796	93,718
Impairment losses on other receivables	5,120	4,684

Notes to the Condensed Consolidated Financial Statements

9 Other income and other gains or losses

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	140,072	224,082
Forfeited deposits from customers	45,693	17,952
Government grants	11,401	14,553
Miscellaneous	1,117	125
	198,283	256,712
Other gains or losses		
Fair value (loss)/gain on financial assets at FVPL	(58,845)	147,018
Gains from bond repurchase	327,041	28,236
Gains from disposal of property, plant and equipment	117	11,165
(Losses)/(gains) on disposal of subsidiaries	(751,938)	85
Net foreign exchange gains/(losses) (note i)	13,996	(25,201)
Losses from disposal of investment properties	—	(334)
Loss from disposal of associates and joint ventures	(549,588)	—
	(1,019,217)	160,969

- (i) Amount mainly represents the net gains/losses on translation of foreign currency financial assets and liabilities from foreign currency into RMB at the prevailing month-end exchange rate. It does not include the exchange gain or loss of translation of borrowings which are included in the "finance income/(costs) — net" (Note 10).

Notes to the Condensed Consolidated Financial Statements

10 Finance (costs)/income — net

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income		
— Net foreign exchange gains	—	217,172
— Interest income from bank deposits	172,031	157,406
	172,031	374,578
Finance costs		
— Net foreign exchange losses	(725,682)	—
— Interest expenses of borrowings	(2,268,737)	(2,726,761)
— Less: capitalised interest	1,761,231	2,628,274
	(1,233,188)	(98,487)
Finance (costs)/income — net	(1,061,157)	276,091

11 Income tax expenses

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax:		
PRC corporate income tax	699,009	637,586
PRC Land appreciation tax ("LAT")	108,933	67,921
	807,942	705,507
Deferred income tax:		
PRC corporate income tax	(448,405)	(117,153)
	359,537	588,354

Notes to the Condensed Consolidated Financial Statements

11 Income tax expenses (continued)

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2022 and 2021, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “**CIT Law**”) effective on 1 January 2008.

PRC LAT

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

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2022 (six months ended 30 June 2021: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Cap. 22 of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands (the “**BVI**”) was incorporated under the Business Companies Act of the BVI and is exempted from BVI income tax.

Notes to the Condensed Consolidated Financial Statements

12 (Loss)/earnings per share

12.1 Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(4,429,232)	684,511
Weighted average number of ordinary shares in issue (in thousand)	1,683,431	1,683,522
Basic (loss)/earnings per share (RMB per share)	(2.63)	0.41

12.2 Diluted (loss)/earnings per share

Diluted (loss)/earnings per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company for the period) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(4,429,232)	684,511
Weighted average number of ordinary shares in issue (in thousand)	1,683,431	1,683,522
Adjustments — share options and awarded shares (in thousand)	—	—
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	1,683,431	1,683,522
Diluted (loss)/earnings per share (RMB per share)	(2.63)	0.41

Notes to the Condensed Consolidated Financial Statements

12 (Loss)/earnings per share (continued)

12.2 Diluted (loss)/earnings per share (continued)

For the six months ended 30 June 2022, the computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options were higher than the average market price of the Company's share during the six months ended 30 June 2022.

For the six months ended 30 June 2021, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options were higher than the average market price of the Company's share during the six months ended 30 June 2021.

The Company did not repurchase and cancel any of its own ordinary shares during the six months ended 30 June 2022 (six months ended 30 June 2021: repurchased and cancelled 1,830,000 of its own ordinary shares).

13 Property, plant and equipment, right-of-use assets and investment properties

	Property, plant and equipment RMB'000	Right-of-use assets — Land use rights and properties RMB'000	Investment properties RMB'000
Six months ended 30 June 2022 (unaudited)			
Opening net book amount as at 1 January 2022	1,189,219	436,949	12,718,617
Additions	40,332	6,696	421,823
Disposals	(386)	—	—
Disposal of subsidiaries	(13,396)	—	(113,300)
Fair value loss	—	—	(1,429,882)
Depreciation and amortisation	(43,352)	(17,803)	—
Closing net book amount as at 30 June 2022	1,172,417	425,842	11,597,258
Six months ended 30 June 2021 (unaudited)			
Opening net book amount as at 1 January 2021	1,424,939	444,183	14,487,730
Additions	25,982	17,827	72,132
Disposals	(14,086)	—	(95,319)
Transfer	367,270	—	(367,270)
Fair value loss	—	—	(37,757)
Depreciation and amortisation	(74,281)	(18,004)	—
Closing net book amount as at 30 June 2021	1,729,824	444,006	14,059,516

The information of the Group's pledged assets is disclosed in the Note 26.

Notes to the Condensed Consolidated Financial Statements

14 Investments accounted for using the equity method

The Group considers that none of the associate nor joint venture of the Group as at 30 June 2022 was significant to the Group. For those individually immaterial associates and joint ventures that are accounted for using the equity method, amounts recognised in the condensed consolidated balance sheet and the condensed consolidated income statement are set out as below:

(i) Amounts recognised in the condensed consolidated balance sheet are as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Investments accounted for using the equity method:		
— Joint ventures	5,688,813	5,972,032
— Associates	5,616,506	5,883,064
	11,305,319	11,855,096

(ii) Amounts recognised in the condensed consolidated income statement are as follows:

	Six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Share of net profit/(loss) of investments accounted for using the equity method:		
— Joint ventures	221,946	(82,091)
— Associates	160,374	151,638
	382,320	69,547

Notes to the Condensed Consolidated Financial Statements

15 Properties under development and completed properties held for sale

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within one operating cycle. The relevant land use rights are on leases of 40 to 70 years.

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Properties under development expected to be completed		
— Within normal operating cycle included under current assets	117,746,227	127,448,610

The normal operating cycle of the Group's property development generally ranges from one to three years.

The amounts of RMB45,399,153,000 as at 30 June 2022 (31 December 2021: RMB45,305,531,000) under normal operating cycle classified as current assets were expected to be completed and delivered beyond one year.

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Properties under development:		
— Construction costs	29,946,470	22,295,891
— Capitalised interests	12,636,617	16,537,722
— Land use rights	75,163,140	88,614,997
	117,746,227	127,448,610

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Completed properties held for sale:		
— Construction costs	8,304,619	9,660,231
— Capitalised interests	2,816,773	2,372,004
— Land use rights	5,055,806	6,854,878
	16,177,198	18,887,113

The information of the Group's pledged assets is disclosed in Note 26.

Write-downs of the properties under development and completed properties held for sale to net realisable value amounted to RMB227,992,000 (six months ended 30 June 2021: RMB262,202,000), which were recognised as costs of sales during the six months ended 30 June 2022.

Notes to the Condensed Consolidated Financial Statements

16 Trade and other receivables and prepayments

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables (note (a))	1,129,313	798,941
Other receivables:		
— Amounts due from minority interests	11,790,460	8,594,504
— Deposits for acquisition of land use rights and property development projects	860,426	8,832,887
— Other amounts due from third parties	2,887,402	2,496,070
— Deposits for construction contracts	642,562	436,842
— Others	428,666	44,692
Less: loss allowance	(30,399)	(25,279)
	16,579,117	20,379,716
Prepayments:		
— Prepayments for acquisition of land use rights	2,953,027	6,897,082
— Prepaid value added tax and other taxes	2,952,793	4,440,430
— Others	328,944	134,784
	6,234,764	11,472,296
Total	23,943,194	32,650,953

Notes to the Condensed Consolidated Financial Statements

16 Trade and other receivables and prepayments (continued)

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Ageing analysis of the trade receivables is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within one year	1,129,313	798,941

These trade receivables relate to a number of independent customers for whom there is no significant financial difficulty. Management does not expect any credit loss for these receivables.

- (b) As at 30 June 2022, the Group's trade and other receivables were mainly denominated in RMB (31 December 2021: same). As at 30 June 2022, the Group's maximum exposure to credit risk was the carrying value of each class of receivables mentioned above (31 December 2021: same).

Notes to the Condensed Consolidated Financial Statements

17 Cash and bank balances

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Cash and cash equivalents	8,145,708	11,719,745
Term deposits (Note (a))	3,065,000	3,852,874
Restricted cash (Note (b))	4,954,935	6,482,827
Cash and bank balances	16,165,643	22,055,446

- (a) The weighted average effective interest rate of the Group's term deposits as at 30 June 2022 was 3.17% per annum (31 December 2021: 3.26% per annum). The carrying amounts of the Group's term deposits approximate their fair values, as the impact of discounting is not significant.
- (b) Amounts mainly represent cash deposits with designated banks as guarantee deposits for construction of properties, securities for borrowings and for issuance of commercial bills.

In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group were required to place certain amount of properties presale proceeds at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fee of the relevant property projects when approval from the PRC local State-Owned Land and Resource Bureau is obtained. The remaining balances of the deposits, if any, will be released after completion of related pre-sold properties or issuance of the real estate ownership certificate of the properties, whichever is the earlier.

Notes to the Condensed Consolidated Financial Statements

18 Share capital and share premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Six months ended 30 June 2022 (unaudited)					
As at 1 January 2022 and 30 June 2022	1,683,431,000	16,805	15	3,082,681	3,082,696
Six months ended 30 June 2021 (unaudited)					
As at 1 January 2021	1,685,261,000	16,823	15	3,786,195	3,786,210
Buy-back and cancellation of shares (Note (b))	(1,830,000)	(18)	—	(8,341)	(8,341)
Final dividend of 2020 (Note 20)	—	—	—	(695,173)	(695,173)
As at 30 June 2021	1,683,431,000	16,805	15	3,082,681	3,082,696

- (a) The authorised share capital of the Company as at 30 June 2022 was HK\$380,000 (31 December 2021: same) divided into 38,000,000,000 shares (31 December 2021: same).
- (b) The Company acquired 1,830,000 of its own shares through purchases from the stock market during the six months ended 30 June 2021 for cash totaling HK\$9,968,000 (equivalent to RMB8,341,000) which have been deducted from the share capital and share premium accounts. These shares have been cancelled after the repurchase.

Notes to the Condensed Consolidated Financial Statements

19 Other reserves

(a) Capital reserves

Capital reserves mainly represented accumulated capital contribution from the shareholders of the Group companies.

(b) Statutory reserves

In accordance with relevant rules and regulations in the PRC, when declaring dividend, the Group's PRC subsidiaries are required to appropriate not less than 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of the registered capital of the respective companies. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses brought forward from prior years or to increase the paid up capital of respective companies.

(c) Share-based compensation reserves

The Company approved and adopted a share option scheme on 28 December 2015 (the "**Share Option Scheme**"). Share options under the Share Option Scheme (the "**Option**") are granted to eligible participant (the "**Eligibles**") including directors and other employees. Options are conditional on the Eligibles have served the Group for certain periods (the vesting period). Share Options are granted for no consideration and carry no dividend or voting rights. When exercisable, each Option is convertible into one ordinary share. The Group has no legal or constructive obligation to repurchase or settle the Options in cash.

On 5 January 2017, approximately 62,469,000 share options (the "**2017 Options**") were granted to Eligibles with an exercise price of HK\$5.96 per share. The expiry date of the 2017 Options will be 4 January 2022.

On 30 April 2019, approximately 26,571,973 share options (the "**2019 Options**") were granted to Eligibles with an exercise price of HK\$10.8 per share. The expiry date of the 2019 Options will be 4 January 2022.

There were two types of vesting schedule for above share options, which are: i) 2017 Option : 30% of the options will be vested after 12 months of the grant date; 30% of the options will be vested after 24 months of the grant date and the remaining 40% will be vested after 36 months of the grant date, ii) 2019 Option : Options will be vested on 5 January 2020.

Notes to the Condensed Consolidated Financial Statements

19 Other reserves (continued)**(c) Share-based compensation reserves (continued)**

Set out below are movements of Options granted under the Share Option Scheme:

	Number of Options
As at 1 January 2021	42,670,000
Forfeited during the period	(1,207,000)
<hr/>	
As at 30 June 2021	41,463,000
<hr/>	
As at 1 January 2022	36,439,000
Forfeited during the period	(36,439,000)
<hr/>	
As at 30 June 2022	—

No share options had been granted during the six months ended 30 June 2022 (six months ended 30 June 2022: nil) and no share options outstanding under the Share Option Scheme as at 30 June 2022 (31 December 2021: 36,439,000 share options outstanding).

20 Dividend

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Notes to the Condensed Consolidated Financial Statements

21 Borrowings

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Senior notes – unsecured (Note (a))	14,973,099	18,373,958
Asset backed securities (“ABS”) – secured (Note (b))	2,174,380	4,029,310
Corporate bonds – unsecured	8,599,326	8,597,029
Borrowings from financial institutions – secured (Note (c))	18,398,542	24,992,849
Less: current portion of non-current borrowings	(13,904,992)	(21,948,924)
	30,240,355	34,044,222
Borrowings included in current liabilities:		
Borrowings from financial institutions – secured (Note (c))	1,099,375	784,775
Current portion of non-current borrowings	13,904,992	21,948,924
	15,004,367	22,733,699
Total borrowings	45,244,722	56,777,921

- (a) The senior notes are guaranteed and secured by equity interests of certain non-PRC subsidiaries.
- (b) The ABS was pledged by the right of receipt of proceeds arising from the Group's sales of certain properties or rental income.
- (c) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 26.

Notes to the Condensed Consolidated Financial Statements

21 Borrowings (continued)

(d) The Group's borrowings were repayable as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within 1 year	15,004,367	22,733,699
Between 1 and 2 years	25,612,685	29,590,632
Between 2 and 5 years	4,627,670	4,453,590
Total	45,244,722	56,777,921

(e) The Group's borrowings were denominated in:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
— RMB	30,271,623	38,072,304
— US\$	14,973,099	18,373,958
— HK\$	—	331,659
	45,244,722	56,777,921

(f) The fair value of senior notes as at 30 June 2022 was RMB2,020,723,000 (31 December 2021: RMB8,312,116,000), which was quoted in Singapore Exchange Ltd. and within level 1 of the fair value hierarchy. The carrying amounts of borrowings other than senior notes approximate their fair values as at 30 June 2022 (31 December 2021: same) as either the impact of discounting was not significant or the borrowings carried at floating interest rates.

Notes to the Condensed Consolidated Financial Statements

22 Contract liabilities

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Current contract liabilities – sales of properties	83,772,320	90,094,226

- (a) The following table set out the amount of revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	13,792,054	19,520,531

- (b) The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities, which are expected to be recognised in 1 to 3 years as of 30 June 2022 and 31 December 2021.

Notes to the Condensed Consolidated Financial Statements

23 Trade and other payables

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade payables (Note (a))	8,603,767	12,983,551
Note payables	710,108	491,684
Other payables:		
— Amounts due to non-controlling interests	9,556,542	5,425,108
— Other taxes payable	8,847,284	8,519,442
— Interests payable	873,489	632,857
— Deposits received for sales of properties	860,055	204,726
— Dividend payable	4,944	4,724
— Deposits from contractors and suppliers	849,554	916,770
— Accrued payroll	130,591	175,986
— Others	408,685	239,304
	30,845,019	29,594,152

(a) The ageing analysis of the trade payables is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within one year	5,134,502	9,873,830
Over one year	3,469,265	3,109,721
	8,603,767	12,983,551

(b) Other payables of approximately RMB176,800,000 are interest bearing and repayable within one year from 30 June 2022 (31 December 2021: RMB116,500,000).

(c) The carrying amounts of trade and other payables were considered to be the same as their fair values.

Notes to the Condensed Consolidated Financial Statements

24 Financial guarantee

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Guarantee in respect of mortgage facilities for certain purchasers (Note (a))	19,188,295	24,933,420
Guarantee provided for the borrowings of the joint ventures and associates (Note (b))	6,500,160	4,023,000
	25,688,455	28,956,420

- (a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The directors consider that the likelihood of loss of the Group resulting from the default in payments by purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

- (b) Amounts represented the maximum exposure of the guarantees provided by the Group. The Directors consider that the fair value of these contracts at the date of inception was minimal, the repayment was on schedule and risk of default in payment was remote, therefore no provision has been made in the financial statements for the guarantees.

Notes to the Condensed Consolidated Financial Statements

25 Commitments

Commitments for property development expenditures and equity investments as at 30 June 2022 and 31 December 2021 as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Contracted but not provided for		
— Property development activities	15,731,869	21,175,741
— Land use rights	856,918	1,704,708
	16,588,787	22,880,449

26 Assets pledged as security

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,296,162	908,714
Land use rights	190,677	243,695
Investment properties	1,587,512	4,104,000
Total non-current assets pledged as security	3,074,351	5,256,409
Current assets		
Properties under development and completed properties held for sale	35,057,160	36,418,158
Restricted cash	1,800,000	2,100,000
Total current assets pledged as security	36,857,160	38,518,158
Total assets pledged as security	39,931,511	43,774,567

Set out above are the Group's assets pledged as securities for the Group's borrowings (Note 21(c)).

Shares of certain subsidiaries held by the Company were pledged as security for borrowing of the Group at 30 June 2022.

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions

(a) Major related parties that had significant transactions during the six months ended 30 June 2022 with the Group are as follows:

Related parties	Relationship with the Group
Mr. Ou 歐先生	Controlling Shareholder and director of the Company
Ronshine Service Holding Co., Ltd 融信服務集團股份有限公司	A company controlled by the controlling Shareholder
Xiujing (Fujian) Landscape Engineering Co., Ltd. 秀景（福建）園林工程有限公司	A company controlled by the controlling Shareholder
Hangzhou Zhongxu Property Co., Ltd. 杭州眾旭置業有限公司	Joint Venture
Hangzhou Ronghao Property Co., Ltd. 杭州融浩置業有限公司	Joint Venture
Ningbo Fenghua Heduo Real Estate Development Co., Ltd. 寧波奉化和都房地產開發有限公司	Joint Venture
Jiangmen City Ronchang Real Estate Development Co., Ltd. 江門市融昌房地產開發有限公司	Joint venture
Qiaocheng Real Estate Group Chongqing Kaizhou District Co., Ltd. 僑城地產集團重慶市開州區有限責任公司	Joint venture
Qingdao West Coast Tianze Construction Development Co., Ltd. 青島西海岸天澤建設發展有限公司	Joint venture
Chongqing Yicheng Yiye Wisdom Technology Co., Ltd. 重慶頤城頤業智慧科技有限公司	Joint venture
Luzhou Jinyue Property Co., Ltd. 瀘州錦樾置業有限公司	Joint venture
Chengdu Longteng Jinrui Property Co., Ltd. 成都隆騰錦瑞置業有限公司	Joint venture
Mianyang Wanwei Jincai Real Estate Development Co., Ltd. 綿陽萬為金彩房地產開發有限公司	Joint venture
Hangzhou Linanlongxing Real Estate Development Co., Ltd. 杭州臨安龍興房地產開發有限公司	Joint Venture

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(a) Major related parties that had significant transactions during the six months ended 30 June 2022 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Nanjing Huihe Property Co., Ltd. 南京薈合置業有限公司	Joint Venture
Jinhua Tianxi Property Co., Ltd 金華天璽置業有限公司	Joint Venture
Tianjin Jinrui Property Co., Ltd 天津金銳置業有限公司	Joint Venture
Hangzhou Rongxuan Real Estate Development Co., Ltd. 杭州融暉房地產開發有限公司	Joint Venture
Hangzhou Wanjing Property Co., Ltd. 杭州萬璟置業有限公司	Joint venture
Jinhua Ruiying Real Estate Co., Ltd. 金華市瑞盈房地產有限公司	Joint venture
Zhoushan Kairong Real Estate Development Co., Ltd. 舟山愷融房地產開發有限公司	Joint venture
Cixi Jingui Property Co., Ltd. 慈溪市金桂置業有限公司	Joint venture
Fuyang Lvdi Property Co., Ltd. 阜陽綠地置業有限公司	Joint venture
Xi'an Dihang Real Estate Development Co., Ltd 西安迪航房地產開發有限公司	Joint venture
Xi'an Diyue Real Estate Development Co., Ltd 西安迪越房地產開發有限公司	Joint venture
Suzhou Rongpu Property Co., LTD 蘇州融樸置業有限公司	Joint venture
Fuzhou Liboshuntai Property Development Co., Ltd. 福州利博順泰房地產開發有限公司	Joint venture

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(a) Major related parties that had significant transactions during the six months ended 30 June 2022 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Bengbu City Bicheng Real Estate Development Co., Ltd. 蚌埠市碧誠房地產開發有限公司	Joint venture
Shanghai Kaidai Real Estate Development Co., Ltd. 上海愷岱房地產開發有限公司	Joint venture
Hairong (Zhangzhou) Property Co., Ltd. 海融（漳州）房地產有限公司	Joint venture
Qidong Bilian Property Co., Ltd. 啟東碧聯置業有限公司	Joint venture
Fuzhou Yubaichuan Real Estate Development Co., Ltd. 福州裕百川房地產開發有限公司	Joint Venture
Fuzhou Hongbailong Real Estate Development Co., Ltd. 福州泓百隆房地產開發有限公司	Joint venture
Fujian Rongdaxin Investment Co., Ltd. 福建融達信投資有限公司	Joint venture
Hangzhou Longyi Real Estate Development Co., Ltd. 杭州龍毅房地產開發有限公司	Associate
Hangzhou Meishengmei Property Co., Ltd. 杭州美生美置業有限公司	Associate
Chengdu Jinfenghua Property Co., Ltd. 成都金豐華置業有限公司	Associate
Fuzhou City Yuxiang Real Estate Development Co., Ltd. 福州市禹翔房地產有限公司	Associate
Nanjing Jintai Real Estate Development Co., Ltd. 南京錦泰房地產開發有限公司	Associate
Jiangmen City Hongshun Real Estate Development Co., Ltd. 江門市弘順房地產開發有限公司	Associate
Hangzhou Jinhong Real Estate Development Co., Ltd. 杭州錦虹房地產開發有限公司	Associate
Hangzhou Rongxin Real Estate Development Co., Ltd. 杭州融歆房地產開發有限公司	Associate
Zhenjiang Yiteng Real Estate Development Co., Ltd. 鎮江億騰房地產開發有限公司	Associate

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(a) Major related parties that had significant transactions during the six months ended 30 June 2022 with the Group are as follows: (continued)

Related parties	Relationship with the Group
Shaanxi Shengshi Haihong Real Estate development Co., Ltd. 陝西盛世海宏房地產開發有限公司	Associate
Hangzhou Lvcheng Wangxi Real Estate Development Co., Ltd. 杭州綠城望溪房地產開發有限公司	Associate
Fuzhou Wanxi Real Estate Co., Ltd. 福州市萬曦房地產有限公司	Associate
Nantong Jianghe Property Co., Ltd. 南通江河置業有限公司	Associate
Zhangzhou City Vanke Binjiang Property Co., Ltd. 漳州市萬科濱江置業有限公司	Associate
Hangzhou Ronlang Real Estate Development Co., Ltd 杭州融朗房地產開發有限公司	Associate

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(b) Key management compensation

Compensation for key management including directors is set out below:

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Key management compensation:		
— Salaries and other employee benefits	12,589	10,501
— Pension costs	309	417
	12,898	10,918

(c) Transactions with related parties

Save as disclosed elsewhere in this condensed consolidated financial statements, during the six months ended 30 June 2022 and 30 June 2021, the Group had the following transactions with related parties.

Services provided by related parties

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Property management services		
— Ronshine Service Holding Co., Ltd.	81,934	162,713
Landscape engineering services		
— Xiujing (Fujian) Landscape Engineering Co., Ltd	271,734	105,957

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(c) Transactions with related parties (continued)

Services provided to related parties

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income		
— Joint ventures	37,515	116,005
— Associates	—	12,718
	37,515	128,723
Consultation services		
— Joint ventures	48,216	241,968
— Associates	85	30,704
	48,301	272,672

The Directors are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

Please refer to Note 24 for the guarantee provided for the borrowings of the joint ventures and associates by the Group.

Notes to the Condensed Consolidated Financial Statements

27 Significant related party transactions (continued)

(d) Balances with related parties

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Amounts due from related parties:		
— Joint ventures	9,203,918	9,612,957
— Associates	4,319,634	1,660,117
— Ronshine Service Holding Co., Ltd.	16,552	11,991
	13,540,104	11,285,065
Amounts due to related parties:		
— Joint ventures	7,357,295	6,557,925
— Associates	2,119,002	2,203,273
— Other related parties:	378,877	326,332
— Mr. Ou	66,868	82,009
— Ronshine Service Holding Co., Ltd.	240,154	159,158
— Xiujing (Fujian) Landscape Engineering Co., Ltd.	71,855	85,165
	9,855,174	9,087,530

Amounts due from related parties mainly represented the cash advances made to related parties which are unsecured, repayable on demand and denominated in RMB.

Amounts due to Ronshine Service Holding Co., Ltd. mainly represented the payables of property management fees which were unsecured, interest-free, to be settled according to agreed terms and denominated in RMB.

Amounts due to Xiujing (Fujian) Landscape Engineering Co., Ltd. mainly represented the payables of landscape engineering services fee which were unsecured, interest-free, to be settled according to agreed terms and denominated in RMB.

Other amounts due to related parties mainly represented cash advances from related parties of which approximately RMB116,500,000 are interest bearing and repayable within one year from 31 December 2021 (30 June 2022: nil).