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## **Leading Holdings Group Limited**

### **領地控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6999)**

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

### **INTERIM RESULTS AND OPERATIONAL HIGHLIGHTS**

- Contracted sales for the six months ended 30 June 2021 was RMB13,328.56 million.
- Contracted GFA sold for the six months ended 30 June 2021 was 1.55 million sq.m..
- Revenue for the six months ended 30 June 2021 was RMB4,311.91 million.
- Gross profit for the six months ended 30 June 2021 was RMB875.34 million.
- Profit for the six months attributable to owners of the Company ended 30 June 2021 was RMB73.85 million.
- Core profit<sup>(1)</sup> for the six months ended 30 June 2021 was RMB111.04 million.
- Core profit<sup>(1)</sup> attributable to owners of the Company for the six months ended 30 June 2021 was RMB59.61 million.
- Cash and bank balances<sup>(2)</sup> amounted to RMB7,784.62 million.

(1) Defined as net profit excluding changes in fair values of investment properties and financial assets, and exchange gain or loss

(2) Cash and bank balances comprise restricted cash, pledged deposits, and cash and cash equivalents

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Leading Holdings Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 with comparative figures for corresponding period in 2020. These interim results have been prepared in accordance with International Financial Reporting Standards (the “**IFRS**”) and have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2021*

	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
REVENUE	4	4,311,908	4,438,652
Cost of sales		(3,436,564)	(2,832,232)
GROSS PROFIT		875,344	1,606,420
Other income and gains	4	82,076	41,694
Selling and distribution expenses		(240,424)	(195,086)
Administrative expenses		(279,657)	(248,566)
Other expenses		(23,160)	(14,753)
Fair value gain/(losses) on investment properties		20,900	(28,763)
Finance costs	5	(157,251)	(157,897)
Share of profits and losses of:			
Joint ventures		117,090	(15,283)
Associates		(1,904)	15,080
PROFIT BEFORE TAX	6	393,014	1,002,846
Income tax expense	7	(267,734)	(471,092)
PROFIT FOR THE PERIOD		<u>125,280</u>	<u>531,754</u>
Attributable to:			
Owners of the parent		73,851	418,300
Non-controlling interests		51,429	113,454
		<u>125,280</u>	<u>531,754</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
— For profit for the period		<u>RMB0.07</u>	<u>RMB0.56</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	<u>125,280</u>	<u>531,754</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>125,280</u>	<u>531,754</u>
Attributable to:		
Owners of the parent	73,851	418,300
Non-controlling interests	<u>51,429</u>	<u>113,454</u>
	<u>125,280</u>	<u>531,754</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2021

		<b>30 June 2021 (Unaudited) RMB'000</b>	<b>31 December 2020 (Audited) RMB'000</b>
	<i>Note</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>216,386</b>	221,873
Investment properties		<b>4,362,300</b>	4,551,600
Right-of-use assets		<b>48,594</b>	51,794
Other intangible assets		<b>20,763</b>	18,268
Investments in joint ventures		<b>722,145</b>	577,807
Investments in associates		<b>667,905</b>	561,101
Deferred tax assets		<b>1,233,739</b>	983,633
Other non-current assets		<b>231,241</b>	223,382
		<hr/>	<hr/>
Total non-current assets		<b>7,503,073</b>	7,189,458
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Properties under development		<b>42,758,282</b>	38,657,280
Completed properties held for sale		<b>2,982,367</b>	2,900,193
Trade receivables	10	<b>54,574</b>	72,860
Prepayments and other receivables		<b>5,526,067</b>	3,001,028
Due from related companies		<b>1,261,628</b>	1,149,913
Financial assets at fair value through profit or loss		<b>13,890</b>	11,026
Other current assets		<b>956,686</b>	598,232
Tax recoverable		<b>647,026</b>	568,088
Cash and bank balances		<b>7,784,615</b>	5,925,092
		<hr/>	<hr/>
Total current assets		<b>61,985,135</b>	52,883,712
		<hr/>	<hr/>

		<b>30 June 2021 (Unaudited) RMB'000</b>	<b>31 December 2020 (Audited) RMB'000</b>
	<i>Note</i>		
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>7,106,740</b>	6,800,412
Other payables and accruals		<b>5,418,307</b>	5,789,398
Interest-bearing bank and other borrowings		<b>3,875,958</b>	4,090,066
Contract liabilities		<b>29,906,144</b>	21,592,955
Lease liabilities		<b>4,874</b>	6,220
Due to related companies		<b>331,682</b>	225,595
Tax payable		<b>1,430,972</b>	1,358,474
Senior notes		<b>954,060</b>	—
		<hr/>	<hr/>
Total current liabilities		<b>49,028,737</b>	39,863,120
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>12,956,398</b>	13,020,592
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>20,459,471</b>	20,210,050
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>9,793,603</b>	10,167,291
Lease liabilities		<b>3,684</b>	4,824
Deferred tax liabilities		<b>860,029</b>	767,863
		<hr/>	<hr/>
Total non-current liabilities		<b>10,657,316</b>	10,939,978
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>9,802,155</b>	9,270,072
		<hr/>	<hr/>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		<b>8,670</b>	8,446
Reserves		<b>7,440,773</b>	7,241,954
		<hr/>	<hr/>
		<b>7,449,443</b>	7,250,400
		<hr/>	<hr/>
Non-controlling interests		<b>2,352,712</b>	2,019,672
		<hr/>	<hr/>
Total equity		<b>9,802,155</b>	9,270,072
		<hr/>	<hr/>

## NOTES TO FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period's financial information.

Amendments to IFRS 9,  
IAS 39, IFRS 7, IFRS 4  
and IFRS 16

*Interest Rate Benchmark Reform — Phase 2*

Amendment to IFRS 16

*Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)*

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness.

The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in RMB and foreign currencies based on the Loan Prime Rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendment did not have any impact on the financial position and performance of the Group as the Group does not have any rent concessions arising as a direct consequence of the covid-19 pandemic for the period ended 30 June 2021.

The Company has changed its accounting policy for the classification of the interest paid in the consolidated statement of cash flows. In prior periods, interest paid was classified as cash flows from operating activities, whereas interest paid is now classified as cash flows from financing activities (the “**Policy Change**”). In the opinion of the directors of the Company, it is more appropriate to classify all cash flows in respect of the Group’s borrowings, as cash flows from financing activities in the condensed consolidated statement of cash flows to reflect the nature of the cash flows associated with the Group’s borrowings, including the interest paid as a cost of financing, and will provide more relevant information about the cash flows associated with the borrowings. The directors are also of the opinion that such classification and presentation will provide greater comparability with other industry peers of the Group. The comparative amounts have been restated accordingly.

Set out below are the amounts by which each financial statement line item was affected for the six months ended 30 June 2021 and 2020 as a result of the Policy Change:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>Decrease/ (increase)</b>	<b>Decrease/ (increase)</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest paid	<b>686,078</b>	473,071
Increase in cash flows related to operating activities	<b>686,078</b>	473,071
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	<b>(686,078)</b>	(473,071)
Decrease in cash flows related to financing activities	<b>686,078</b>	473,071
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>—</b>	<b>—</b>

The adoption of the Policy Change has had no impact on the condensed consolidated statements of profit or loss, comprehensive income, financial position and changes in equity.



### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- |     |   |   |
|-----|---|---|
| (a) | Property development                          | Development and sale of properties and project management |
| (b) | Commercial property investment and operations | Property leasing  |
| (c) | Hotel operations                              | Hotel operations  |

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group's operations are mainly conducted in Mainland China. Management considered that there is no reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

Six months ended 30 June 2021	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue:				
Sales to external customers	4,234,439	51,667	25,802	4,311,908
Segment results	589,026	52,494	10,384	651,904
<i>Reconciliation:</i>				
Interest income				28,202
Finance costs				(157,251)
Corporate and other unallocated expenses				<u>(129,841)</u>
Profit before tax from continuing operations				<u><u>393,014</u></u>
Six months ended 30 June 2020	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue:				
Sales to external customers	4,387,167	38,756	12,729	4,438,652
Segment results	1,253,211	(4,825)	242	1,248,628
<i>Reconciliation:</i>				
Interest income				17,057
Finance costs				(157,897)
Corporate and other unallocated expenses				<u>(104,942)</u>
Profit before tax from continuing operations				<u><u>1,002,846</u></u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2021 and 31 December 2020.

	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment assets</b>				
30 June 2021	63,978,312	5,081,117	150,287	69,209,716
<i>Reconciliation:</i>				
Corporate and other unallocated assets				278,492
Total assets				<u>69,488,208</u>
<b>Segment liabilities</b>				
30 June 2021	55,931,620	3,543,650	195,236	59,670,506
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				15,547
Total liabilities				<u>59,686,053</u>

	Property development <i>RMB'000</i> (Audited)	Commercial property investment and operations <i>RMB'000</i> (Audited)	Hotel operations <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
<b>Segment assets</b>				
31 December 2020	53,564,568	6,066,106	256,747	59,887,421
<i>Reconciliation:</i>				
Corporate and other unallocated assets				185,749
Total assets				<u>60,073,170</u>
<b>Segment liabilities</b>				
31 December 2020	45,941,981	4,544,342	297,906	50,784,229
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				18,869
Total liabilities				<u>50,803,098</u>

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Revenue from contracts with customers</i>	<b>4,260,241</b>	4,399,896
Sale of properties	<b>4,230,357</b>	4,385,496
Hotel operations	<b>25,802</b>	12,729
Project management	<b>4,082</b>	1,671
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	<b>51,667</b>	38,756
	<u><b>4,311,908</b></u>	<u>4,438,652</u>

## Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Types of goods or services</b>		
Sale of properties	4,230,357	4,385,496
Hotel operations	25,802	12,729
Project management services	4,082	1,671
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>4,260,241</b>	<b>4,399,896</b>
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Sale of properties transferred at a point in time	3,168,994	3,648,988
Sale of properties transferred over time	1,061,363	736,508
Services transferred over time	29,884	14,400
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>4,260,241</b>	<b>4,399,896</b>
	<hr/>	<hr/>
<b>Other income and gains</b>		
Bank interest income	18,711	15,694
Interest income from associates and joint ventures	9,491	1,363
Management consulting service fees charged to joint ventures and associates	2,358	12,198
Government grants	4,857	4,668
Compensation	12,075	5,117
Gain arising on disposal of investment properties	28,654	—
Others	5,930	2,654
	<hr/>	<hr/>
	<b>82,076</b>	<b>41,694</b>
	<hr/>	<hr/>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	<b>740,434</b>	531,263
Interest on pre-sales deposits	<b>1,098,550</b>	772,395
Total interest expense on financial liabilities not at fair value through profit or loss	<b>1,838,984</b>	1,303,658
Less: Interest capitalised	<b>1,681,733</b>	1,145,761
	<b><u>157,251</u></b>	<b><u>157,897</u></b>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold	<b>3,401,478</b>	2,804,556
Cost of hotel operations	<b>15,419</b>	12,487
Impairment losses written off for completed properties held for sale	<b>(406)</b>	(755)
Depreciation of items of property, plant and equipment	<b>16,055</b>	16,699
Amortisation of other intangible assets	<b>1,604</b>	1,093
Amortisation of right-of-use assets	<b>3,201</b>	3,295
Lease payments not included in the measurement of lease liabilities	<b>290</b>	197
Auditor's remuneration	<b>937</b>	935
Employee benefit expense (including directors' and chief executives' remuneration):		
Wages and salaries	<b>233,328</b>	157,070
Pension scheme contributions and social welfare	<b>38,336</b>	18,608

## 7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable profits arising in Hong Kong for the six months ended 30 June 2021 and 2020.

Subsidiaries of the Group operating in Mainland China, except for Tibet Ludi Industrial Co., Ltd. ("**Tibet Ludi**") and Tibet Hengliang Industrial, Co., Ltd. ("**Tibet Hengliang**"), are subject to PRC corporate income tax at a rate of 25% for the period. Tibet Ludi and Tibet Hengliang enjoyed a preferential CIT rate of 15% during the six months ended June 2021 and 2020.

PRC land appreciation tax ("**LAT**") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
CIT	<b>239,373</b>	395,950
LAT	<b>210,094</b>	254,026
Deferred tax	<b>(181,733)</b>	(178,884)
Total tax charge for the period	<b><u>267,734</u></b>	<b><u>471,092</u></b>

## 8. DIVIDENDS

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

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB73,851,000 (six months ended 30 June 2020: RMB418,300,000), and the weighted average number of ordinary shares of 1,026,200,663 (six months ended 30 June 2020: 750,000,000) in issue during the reporting period. The number of ordinary shares has been adjusted retrospectively for the effect of the issues relating to the reorganisation from July 2019 to December 2019, and the capitalisation issue in December 2020, with 750,000,000 shares in aggregate, and as if the reorganisation and capitalisation issues had been completed on 1 January 2020.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the reporting period.

The calculation of the basic earnings per share amount is based on:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u><b>73,851</b></u>	<u><b>418,300</b></u>
	<b>Number of shares</b>	
	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Shares</b>		
Issue of shares on 15 July 2019	<b>1</b>	<b>1</b>
Issue of shares on 25 September 2019	<b>9,999</b>	<b>9,999</b>
Issue of shares on 31 December 2019	<b>50,000</b>	<b>50,000</b>
Issue of shares on 10 December 2020	<b>999,940,000</b>	<b>—</b>
Issue of shares on 6 January 2021	<u><b>26,945,000</b></u>	<u><b>—</b></u>
Shares issued at period end	<u><b>1,026,945,000</b></u>	<u><b>60,000</b></u>
Number of ordinary shares used in the basic earnings per share calculation	<u><b>1,026,200,663</b></u>	<u><b>750,000,000</b></u>



## 10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	<b>31 December 2020 RMB'000 (Audited)</b>
Less than 1 year	<b>38,672</b>	33,530
Over 1 year	<b>16,202</b>	39,330
	<b><u>54,574</u></b>	<b><u>72,860</u></b>

## 11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	<b>31 December 2020 RMB'000 (Audited)</b>
Less than 1 year	<b>6,669,052</b>	6,381,590
Over 1 year	<b>437,688</b>	418,822
	<b><u>7,106,740</u></b>	<b><u>6,800,412</u></b>

## **BUSINESS REVIEW**

### **2021 — National Policies**

One hundred years of struggle to fulfil the hundred-year dream. The year 2021 is the 100th anniversary of the founding of the Chinese Communist Party as well as the commencement year of the country's "14th Five-Year Plan" and "Long-Range Objectives Through the Year 2035". The state economy has shifted from a high-speed growth stage to a high-quality development stage. President Xi Jinping solemnly proclaimed the great achievement in his important speech that the China has built a moderately prosperous society in all aspects, and officially opened a new journey to the second hundred-year goal.

Real estate, as a stabilizer and ballast for economic development, will embark on a healthier path of development in the future. Based on macro economic analysis, there is still a room of 10 to 15 years for the urbanization process of China. On the other hand, the real estate industry will shift to a comprehensive deleveraging period during the 14th Five-Year Plan period, and gradually form a long-term mechanism. After the central government's new policy of "two concentrations" has been implemented, the real estate industry will gradually become divided, and the investment strategies and investment methods for different types of cities will be readjusted. Real estate enterprises will be more cautious in their overall investment and focus more on investment quality.

On the financial side, in the long run, the attributes of real estate cycle will fade, the regulatory policies of the real estate market will remain continuous and stable on the whole, and the government will pay more attention to preventing and resolving financial risks in the future. Financing in the first half of 2021 was still tightened, and under the control of three red lines, the financing scale of domestic credit debt for real estate enterprises will see a small increase. Meanwhile, inflation is expected to enter a moderate upward phase, and monetary policy will remain stable while becoming more flexible and precise. Therefore, the financing costs for real estate enterprises will remain stable.

In the future, real estate financial policies will remain tight, and we should focus on cash flow management, actively adjust leverage levels, and develop multiple financing channels, to enhance our anti-risk capabilities. The focus of real estate operations will shift from the institutional dividend of rapid development in the past to the management dividend of smooth development. The real estate industry of China should be de-financialized and return to the attributes of the real economy and become similar to industries.

## **Corporate Development Review of Year 2021**

The year 2021 marks the 22nd anniversary of the establishment of the Group and the first year after listing of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group as a whole has maintained a good development trend of “steady progress and quality in progress”: In the first half of the year, projects have been implemented in a number of core and deeply penetrated cities, providing sufficient saleable resources to form the basis for sustainable development; it also received positive results in the capital market with B2 and B ratings, and a stable outlook from Moody’s and Fitch, two authoritative international rating agencies, respectively. The Group has always been committed to a long-term strategy, and the overall positive feedback in recent years has further strengthened the investors’ confidence.

### **Steady Growth of Contract-based Sales**

In terms of contracted sales, despite market fluctuations in the first half of 2021, the Group successfully achieved cumulative contracted sales of RMB13,328.56 million with a period-on-period growth of 39.6%, and cumulative contracted Gross Floor Area (the “**GFA**”) GFA sales of 1.55 million square meters.

## **OUTLOOK**

In recent years, the Group has always been highly interested in the economic development of the Chengdu-Chongqing region. From the perspective of Chengdu-Chongqing economy, its economic volume, talent pool and financial development are all second to none in the western region, making it capable of becoming an important growth pole and a new power source to drive the high-quality development of China. Therefore, as a local real estate enterprise in Sichuan, the Group is clear about its core strategy of “taking Sichuan as the main orientation, deeply and thoroughly penetrate Sichuan market to quickly achieve the leading scale in the province”.

### **Stay true to the mission, insist on the long-term corporate strategy**

1. The Group will resolutely maintain its strategic determination and focus on deep penetration in core cities in Sichuan: Firmly seize the high ground in the deeply penetrated market to achieve target focus, deep strategic penetration, and solid foothold. Although the Group has a certain share of the market in some cities, it still needs to further penetrate for better performance. It’s a long way to go, but we will persevere and penetrate deeply for implementation in a practical manner!
2. With equal emphasis on scale and efficiency, form a systematic organizational structure and establish comprehensive competitive capability for precise headquarter, strong regional platforms, and efficient project execution, and improve decision-making and operational benefits to finally achieve the ecological closure and long-term governance of the whole organization.

3. Based on the progress of both product and service, continue to build a strong brand influence and core competitiveness. Relying on urban development and the needs of human living, continue to innovate and make breakthroughs to help owners realize the pursuit for healthy, comfort and safety, continuously upgrade the configuration of living scenes, and improve the quality of corporate services.
4. Highlight the advantages of real estate as the main business, and synergistically empower and optimize the industrial chain. From the overall consideration of development, give play to the leading role of real estate, and promote the diversified and synergistic development of property, commercial management and hotel business to form an effect of 1+1>2.

In addition to making a good strategic layout, there is a need for perfect tactical actions. Specifically, three actions will be taken:

**Adhering to deep penetration in base cities.** To take a medium and long-term view of the development of base cities, the continued economic upturn and the continued inflow of population are the basis for us to deeply penetrate. Through a high level of understanding of policies, including urban humanities, urban facilities, and urban planning, we need to be integrated into the development of the city.

**Adhering to increasing benefit by the way of management.** It is reflected in doing a good job in standardization and refinement, and giving full play to institutional advantages and the advantages of flat communication to complete resources integration and allocation to the utmost. Take institutionalization as a management tool to improve per capita efficiency in an all-around way.

**Adhering to focusing on brand service.** Build full life cycle services of the industrial chain, and keep improving the customer satisfaction focusing on the core idea of “people oriented”; by deeply integrating online and offline brand communication, facilitate the continued improvement of brand image and brand imagination.

In the second half year, although the industrial situation is still severe, the Group will definitely adhere to focusing on the in-step development strategy of profit, quality and scale, and ensure its rapid development with a prudent investment attitude and a refined management pattern, thus achieving stable long-term development.

The Group will still adhere to long-termism and maintain strategic determination to practice internal strength, innovate for changes, and continuously maintain the spirit of struggle. In this new cycle, the Group is fully confident to achieve another leap in the development journey.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Property Development

#### *Contracted Sale*

For the six months ended 30 June 2021, the Group recorded contracted sales of RMB13,328.56 million, representing a period-over-period increase of 39.6% from the corresponding period of 2020.

For the six months ended 30 June 2021, total contracted GFA sold amounted to approximately 1.55 million sq.m., representing an increase of approximately 25.1% from approximately 1.24 million sq.m. for the six months ended 30 June 2020. Contracted average selling price (“ASP”) for the six months ended 30 June 2021 was approximately RMB8,622.3 per sq.m., compared with RMB7,728.8 per sq.m. for the six months ended 30 June 2020.

Contracted sales from Beijing-Tianjin-Hebei Region, Central China, Chengdu-Chongqing Economic Zone and Sichuan province, Guangdong-Hong Kong-Macau Greater Bay Area contributed to approximately 0.4%, 6.5%, 82.3% and 1.9%, respectively, of the Group’s total contracted sales for the six months ended 30 June 2021.

The following table sets out the geographic breakdown of the Group’s contracted sales for the six months ended 30 June 2021.

	<b>Contracted GFA Sold</b> (sq.m.)	<b>Contracted Sales</b> (RMB’000)	<b>Contracted ASP</b> (RMB/sq.m.)	<b>% of Contracted Sales</b> (%)
Beijing-Tianjin-Hebei Region	7,301.7	51,173.0	7,008.3	0.4%
Central China	131,216.6	862,496.4	6,573.1	6.5%
Chengdu-Chongqing Economic Zone and Sichuan province	1,216,383.6	10,969,873.8	9,018.4	82.3%
Guangdong-Hong Kong- Macau Greater Bay Area	29,289.5	254,723.7	8,696.7	1.9%
Other Regions <sup>(1)</sup>	161,638.4	1,190,294.0	7,363.9	8.9%
<b>Total</b>	<b><u>1,545,829.9</u></b>	<b><u>13,328,560.9</u></b>	<b><u>8,622.3</u></b>	<b><u>100%</u></b>

*Note:*

- (1) Other Regions include Changchun of Jilin province, Urumqi and Korla of Xinjiang Uyghur Autonomous Region, Zunyi and Kaili of Guizhou province and Xuzhou of Jiangsu province, which are not in the Group's key regions.

### ***Revenue Recognized From Sales of Properties***

Revenue from sale of properties of the Group decreased by 3.5% from approximately RMB4,385.50 million for the six months ended 30 June 2020 to approximately RMB4,230.36 million for the six months ended 30 June 2021, accounting for 98.1% of the Group's total revenue. The Group's recognized ASP from sales of properties increased from approximately RMB8,393 per sq.m. for the six months ended 30 June 2020 to approximately RMB9,382 per sq.m. for the six months ended 30 June 2021. It is because (i) the percentage of commercial properties of properties sold increased in the first half of 2021 which has a higher ASP; and (ii) the residential properties delivered in the first half of 2020 in Chengdu-Chongqing Economic Zone and Sichuan province were mainly located in Meishan, Leshan and Ya'an, while the residential properties delivered in the first half of 2021 were mainly located in Chengdu where residential properties have a higher ASP than those in Meishan, Leshan and Ya'an.

The following table sets forth the details of the revenue recognized from the sales of properties of the Group by geographical location for the periods indicated.

	Recognized Revenue from		% of Recognized		Total GFA Recognized		Recognized ASP	
	Sale of Properties		Revenue from		Sale of Properties			
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2021	2020	2021	2020	2021	2020	2021	2020
	(RMB'000)	(RMB'000)	%	%	Sq.m.	Sq.m.	RMB/sq.m	RMB/sq.m
Beijing-Tianjin-Hebei Region	29,831	41,202	0.7%	0.9%	3,638	4,930	8,200	8,358
Central China	79,421	79,876	1.9%	1.8%	12,761	9,768	6,224	8,178
Chengdu-Chongqing Economic Zone and Sichuan province	3,311,515	4,051,066	78.3%	92.4%	320,294	478,272	10,339	8,470
Guangdong-Hong Kong-Macau Greater Bay Area	707,045	104,617	16.7%	2.4%	95,979	11,553	7,367	9,056
Other Regions	102,545	108,735	2.4%	2.5%	18,222	17,978	5,627	6,048
<b>Total</b>	<b><u>4,230,357</u></b>	<b><u>4,385,496</u></b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>450,895</u></b>	<b><u>522,500</u></b>	<b><u>9,382</u></b>	<b><u>8,393</u></b>

The following table sets forth the revenue from sale of properties and ASP by type of properties for the periods indicated.

	Recognized Revenue from		% of Recognized		Total GFA Recognized		Recognized ASP	
	Sale of Properties		Revenue from		Sale of Properties		For the six months ended	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2021	2020	2021	2020	2021	2020	2021	2020
	(RMB'000)	(RMB'000)	%	%	Sq.m.	Sq.m.	RMB/sq.m	RMB/sq.m
Residential	3,096,059	3,983,322	73.2%	90.8%	336,430	487,108	9,203	8,177
Commercial	944,840	305,066	22.3%	7.0%	74,920	21,084	12,611	14,469
Car Parks	189,458	97,108	4.5%	2.2%	39,545	14,308	4,791	6,787
<b>Total</b>	<b><u>4,230,357</u></b>	<b><u>4,385,496</u></b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>450,895</u></b>	<b><u>522,500</u></b>	<b><u>9,382</u></b>	<b><u>8,393</u></b>

### ***Completed Properties Held for Sale***

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As at 30 June 2021, the Group had completed properties held for sale of RMB2,982.37 million, representing a 2.83% increase from RMB2,900.19 million as at 31 December 2020. The increase was primarily due to the increase in GFA completed. The Group has obtained the construction completion certificates in respect of all completed properties held for sale.

### ***Properties under Development***

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 30 June 2021, the Group had properties under development of RMB42,758.28 million, representing a 10.61% increase from RMB38,657.28 million as at 31 December 2020. The increase was primarily due to an increase in the number of projects developed by the Group in the first half of 2021.

## Property Investment

### *Commercial Property Operations*

The Group's revenue from commercial property operations of the Group increased by 33.3% from approximately RMB38.76 million for the six months ended 30 June 2020 to approximately RMB51.67 million for the six months ended 30 June 2021, primarily due to an increase in occupancy rates of the Group's investment properties during the period.

### *Investment Properties*

As at 30 June 2021, the Group had 7 investment properties with a total leasable GFA of approximately 293,469 sq.m. Out of such investment properties portfolio of the Group, 7 investment properties with a total GFA of approximately 215,018 sq.m. had commenced leasing.

## LAND BANK

As at 30 June 2021, the total GFA of land reserves of the Group was approximately 17,760,262 sq.m.. The following table sets forth a summary of the Group's property interests as of 30 June 2021:

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
Properties developed by the Group and its subsidiaries								
1	Chengdu Yipin Center	Chengdu	100%	Commercial/ Carpark/Others	20,534	2025/6	141,509	Within the planned red line of Chadianzi Yipintianxia Street, Jinniu District, Chengdu City, Sichuan Province
2	Chengdu Global Financial Center	Chengdu	100%	Office/Commercial/ Carpark/ Ancillary	18,514	2017/7	1,388	No. 151, Tianfu Second Street, No. 750, Jitai Road, High-tech Zone, Chengdu, Sichuan Province
3	Chengdu Xishan Lantai Mansion	Chengdu	100%	Residential/ Carpark/ Ancillary/Others	34,756	2021/5	38,953	No. 988, Huaxin Avenue, Baihe Town, Longquanyi District, Chengdu City, Sichuan Province



No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
4	Chengdu Yue Center	Chengdu	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	27,400	2021/12	75,044	No. 521, East Section of Industrial Avenue, Xindu District, Chengdu City, Sichuan Province
5	Chongqing Leading Guanyun House	Chongqing	100%	Residential/ Carpark/ Ancillary/Others	40,372	2021/11	86,118	No. N23/03, N District, District, Chongqing Jieshizutuan, Banan
6	Chengdu Jinxiang Lantai Mansion	Chengdu	55%	Residential/Office/ Commercial/ Carpark/ Ancillary/Others	46,473	2019/5	23,711	1-1, Jinxi Courtyard, Middle Section of Hengshan Avenue, Xipu Town, Pixian County, Chengdu City, Sichuan Province
7	Chengdu Tianfu Lantai Mansion (Xinlong)	Chengdu	99%	Residential/ Commercial/ Carpark/ Ancillary/Others	159,963	2022/3	146,299	Group 2, 5, 6, Yangliu Village and Group 2, Liuhe Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
8	Chengdu Tianfu Lantai Mansion (Jingyang)	Chengdu	100%	Residential/ Carpark/ Ancillary/Others	38,967	2021/6	97,574	Group 2, 3, Yangliu Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
9	Chengdu Haina Shidai	Chengdu	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	41,822	2017/2	19,508	Zhili Road and Zhixinger Road, Chengdu City, Sichuan Province
10	Chengdu Lantai House	Chengdu	70%	Residential/ Carpark/Others	40,897	2020/10	26,718	No. 1555, Guoning West Road, Hongguang Town, Pidu District, Chengdu City, Sichuan Province
11	Chengdu Leading Tianyu	Meishan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	57,523	2022/3	186,878	Diagonally opposite to Volkswagen 4S Store, Renshou Avenue, Renshou County, Chengdu City, Sichuan Province
12	Meishan Changshoufang	Meishan	80%	Residential/ Commercial/ Carpark/ Ancillary/Others	71,770	2022/12	181,669	Binjiang Avenue, Pengshan District, Meishan City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
13	Panzhuhua Leading Sunshine Flower City	Panzhuhua	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	186,791	2022/12	489,997	Ganbatang Area, Huacheng New District, Panzhuhua City, Sichuan Province
14	Xichang Yueqionghai	Xichang	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	65,968	2021/12	280,996	Beside Jianchang Water Town, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
15	Xichang Leading Lantai House	Xichang	95%	Residential/ Commercial/ Carpark/ Ancillary/Others	99,752	2019/5	33,257	Xijiao Yaoshan Village, North of Nanshan Avenue, South of Haihe Road, Xichang City, Sichuan Province
16	Xichang Leading Haiyueli	Xichang	52%	Commercial/ Carpark/ Ancillary/Others	41,652	2021/5	5,950	Zhanglin Village, Wangjia Village and Lianhe Village, Gaojian Township, Xichang City, Sichuan Province
17	Xichang Lantai House Qingyun	Xichang	51%	Residential/ Commercial/ Carpark/ Ancillary	16,896	2019/10	1,774	Chensuo Village, Gaojian Township, Xichang City, Sichuan Province
18	Xichang Leading Triumph International Mansion	Xichang	83%	Residential/ Commercial/ Carpark/ Ancillary/Others	33,287	2017/1	2,952	No. 599, Section 5, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
19	Xichang Leading Jinxiu Lantai Mansion	Xichang	80%	Residential/ Commercial/ Carpark/ Ancillary/Others	62,578	2022/7	239,854	Near Zhonghang East Road, West New City, Xichang, Sichuan Province
20	Urumchi Leading Lantai House	Urumchi	95%	Residential/ Commercial/ Carpark/ Ancillary/Others	103,928	2022/6	228,681	No. 616, Junggar Street, East of Suzhou Road, Urumqi, Xinjiang Uygur Autonomous Region
21	Urumchi Leading Tianyu	Urumchi	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	115,428	2022/6	311,578	South of Hongguangshan Road, Shuimogou District, Urumqi City, Xinjiang Uygur Autonomous Region

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
22	Korla Leading Lantai House	Korla	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	63,624	2022/11	102,312	Leading Triumph Mansion, near southwest No. 6 Shihua Avenue, No. 5 Community, Construction Area, Korla City, Bazhou, Xinjiang Uygur Autonomous Region
23	Korla Leading Triumph Mansion	Korla	85%	Residential/ Commercial/ Carpark/ Ancillary/Others	87,933	2021/10	104,968	Next to Peacock Park, No. 6 Shihua Avenue, Korla, Xinjiang Uygur Autonomous Region
24	Chengteh Lantai House	Chengteh	40%	Residential/ Commercial/ Carpark/ Ancillary/Others	53,279	2020/7	6,104	Yuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
25	Chengteh Lantai House Yunshang	Chengteh	51%	Residential/ Commercial/ Ancillary/Others	85,483	2023/6	186,130	Sicaigou B, Dayuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
26	Chengteh Lantai House Yueshan	Chengteh	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	34,981	2022/7	52,466	Yuanbao Mountain, Shuangluan District, Chengde City, Hebei Province
27	Jilin Triumph Mansion	Changchun	55%	Residential/ Commercial/ Carpark/ Ancillary/Others	132,188	2020/5	6,765	Xincheng West Street, Jingyue Development Zone, Changchun City, Jilin Province
28	Xingyang Leading Tianyu	Xingyang	70%	Residential/ Commercial/ Carpark/ Ancillary/Others	29,396	2021/12	80,193	Northwest of the intersection of Jingcheng Road and Gongye East Road, Xingyang City, Zhengzhou City, Henan Province
29	Shangqiu Leading Lantai House	Shangqiu	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	59,698	2025/12	193,849	East to Zhenxing Road, West to Planning Shangqiu Road, South to Nanjing Road, North to Xiwang Road Henan Province
30	Zhumadian Royal Lantai Mansion Phase I	Zhumadian	70%	Residential/ Commercial/ Carpark/ Ancillary/Others	182,936	2021/12	404,444	Northwest of the intersection of Tianzhongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
31	Zhumadian Royal Lantai Mansion Phase II	Zhumadian	70%	Residential/ Carpark/ Ancillary/Others	70,590	2023/6	200,882	Northeast of the intersection of Zhangtai Road and Jianshe Avenue, Zhumadian City, Henan Province
32	Zhumadian Royal Lantai Mansion Phase III	Zhumadian	70%	Residential/ Carpark/ Ancillary/Others	75,863	2025/3	208,355	Southwest of the intersection of Lizhuang Road and Chunliu Road, Zhumadian City, Henan Province
33	Zhumadian Royal Lantai Mansion Phase IV	Zhumadian	70%	Residential/ Carpark/ Ancillary/Others	168,489	2024/9	253,479	Northeast corner of the intersection of Tongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
34	Zhumadian Royal Lantai Mansion Phase V	Zhumadian	70%	Residential/ Commercial/ Carpark/ Ancillary/Others	156,270	2023/8	388,318	The southeast side of the intersection of Lizhuang Road and Chunliu Road, and the northwest side of the intersection of Zhangtai Road and Jianshe Avenue, Zhumadian City, Henan Province
35	Jingzhou Leading Lantai House	Jingzhou	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	54,070	2021/12	208,274	Northwest of the intersection of Chutian Road and Dongqiao Road, Jingbei New District, Jingzhou District, Jingzhou City, Hubei Province
36	Jingzhou Leading Fengming Lantai Mansion	Jingzhou	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	48,399	2022/8	188,088	No.66, Fengming Avenue, Jingzhou District, Jingzhou City, Hubei Province
37	Leshan Amazon	Leshan	100%	Residential/ Commercial/ Carpark/ Ancillary	91,900	2014/10	2,482	No. 418 and No. 424, North Section of Longyou Road, Shizhong District, Leshan City, Sichuan Province
38	Leshan Haina Mansion	Leshan	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	36,200	2016/1	5,344	No.1589 Muyuan Road, Muchuan County, Leshan City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
39	Leshan Lantai House	Leshan	60%	Residential/ Commercial/ Carpark/ Ancillary/Others	88,108	2021/12	145,982	East of the intersection of Sansu Road and Ruixiang Road, Qingjiang New District, Shizhong District, Leshan City, Sichuan Province
40	Leshan Tianyu	Leshan	100%	Residential/ Commercial/ Carpark/ Ancillary	29,796	2020/3	11,799	Intersection of Hanlin Road and Fenghuang Road, Tongjiang District, Leshan City, Sichuan Province
41	Leshan Lanshan	Leshan	70%	Residential/ Commercial/ Carpark/ Ancillary/Others	89,630	2021/10	146,436	No. 881, Section 1, Ruixiang Road, Leshan City, Sichuan Province
42	Leshan International Mansion	Leshan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	127,204	2019/5	3,327	Taoyuan New Village, Mouzi Town, Shizhong District, Leshan City, Sichuan Province
43	Zunyi Lantai House	Zunyi	55%	Residential/ Commercial/ Carpark/ Ancillary/Others	39,759	2022/11	130,977	Intersection of Shanghai Road and Ningbo Road, Huichuan District, Zunyi City, Guizhou Province
44	Meishan Triumph International Mansion	Meishan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	256,303	2020/11	46,029	Southwest corner of the intersection of Hubin Road and Meizhou Avenue, Meishan City, Sichuan Province
45	Meishan Triumph Square	Meishan	79%	Residential/ Commercial/ Carpark/ Ancillary	73,976	2015/5	5,251	Northeast of the intersection of Suyuan Road and Dongpo Avenue, Dongpo District, Meishan City, Sichuan Province
46	Meishan Huayu Phase II	Meishan	60%	Residential/ Commercial/ Carpark/ Ancillary/Others	9,102	2020/6	5,247	Southeast corner of the intersection of Suyuan Road and Chongguang Street, Meishan City, Sichuan Province
47	Meishan Triumph International Mansion Phase II	Meishan	57%	Residential/ Commercial/ Carpark/ Ancillary/Others	39,838	2019/7	6,413	Northeast of the intersection of Jiangxiang Road and Qingyihang, Dongpo District, Meishan City, Sichuan Province
48	Meishan Lantai House	Meishan	55%	Residential/ Commercial/ Carpark/ Ancillary/Others	109,814	2022/12	369,014	Northwest corner of the intersection of Fucheng Road and Shuangfeng Street, Dongpo District, Meishan City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
49	Meishan Guanjiang House	Meishan	55%	Residential/ Commercial/ Carpark/ Ancillary/Others	65,695	2022/3	170,221	Southwest corner of the intersection of Binjiang Avenue and Qitong Road, Meishan City, Sichuan Province
50	Haifeng Tianyu	Shanwei	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	35,774	2022/3	133,603	Plot KJC-B07, Ecological Technology City, Haifeng County, Shanwei City, Guangdong Province
51	Huizhou Lantai House	Huizhou	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	83,840	2023/3	230,663	West of Jinquan Road, Xincheng, North Railway Station, Huicheng District, Huizhou City, Guangdong Province
52	Foshan Haina Longting	Foshan	100%	Residential/ Commercial/ Carpark/Others	36,943	2017/8	2,882	On the north side of Qinggong Road and the east side of Dayong, North and South, Chancheng District, Foshan City, Guangdong Province
53	Foshan Haina Junting	Foshan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	20,536	2017/4	656	West Guangyun Chantan Cross Road, Zhenli, Dali, Nanhai District, Guangdong Province
54	Foshan Haina Mansion	Foshan	100%	Residential/ Commercial/ Carpark/Others	46,812	2014/12	1,186	No. 5, Lishui Avenue Middle, Nanhai District, Foshan City, Guangdong Province
55	Foshan Haina Haoting	Foshan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	37,276	2016/1	1,621	No. 139, Lishui Avenue Middle, Lishui Town, Nanhai District, Foshan City, Guangdong Province
56	Foshan Haina Haoyuan	Foshan	100%	Residential/ Commercial/ Carpark/Others	21,192	2017/3	104	Jianxing Villagers Group, Ganjiao Village, Lishui Town, Nanhai District, Foshan City, Guangdong Province
57	Mianyang Tianyu	Mianyang	65%	Residential/ Commercial/ Carpark/ Ancillary/Others	26,140	2020/3	7,923	No. 2, Hongqiao Road, Chengnan New District, Mianyang City, Sichuan Province
58	Mianyang Lantai House	Mianyang	62%	Residential/ Commercial/ Carpark/ Ancillary/Others	56,060	2020/8	6,694	No. 94, Sanxing Road, Youxian District, Mianyang City, Sichuan Province
59	Nanchong Lantai House	Nanchong	82%	Residential/ Carpark/ Ancillary/Others	59,774	2022/5	247,245	No. 118, Maoyuan South Road, Shunqing District, Nanchong City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
60	Nanchong Tianyu	Nanchong	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	25,053	2020/11	3,131	No. 561, Jinyuling Road, Shunqing District, Nanchong City, Sichuan Province
61	Ya'an Yunjing	Ya'an	100%	Residential/ Commercial/ Carpark/ Ancillary	30,184	2020/11	17,695	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
62	Ya'an Guanjiang Mansion	Ya'an	100%	Residential/ Commercial/ Carpark/ Ancillary	39,149	2020/11	21,802	Qianjin Village, Daxing Town, Yucheng District, Ya'an City, Sichuan Province
63	Ya'an Tianyu	Ya'an	95%	Residential/ Commercial/ Carpark/ Ancillary	18,253	2019/9	10,746	Yazhou Avenue, Yucheng District, Ya'an City, Sichuan Province
64	Ya'an Lantai House	Ya'an	95%	Residential/ Commercial/ Carpark/ Ancillary	43,790	2021/2	30,298	No. 6, Ankang Road, Yucheng District, Ya'an City, Sichuan Province
65	Ya'an Lantai House Phase III 3	Ya'an	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	53,520	2022/3	180,585	Plot 2-12, Daxing District, Yucheng District, Ya'an City, Sichuan Province
66	Mianyang Guanjiang House	Mianyang	100%	Residential/ Commercial/ Carpark/Others	144,705	2023/11	581,704	Putisi Village, Ningxiang Temple Neighborhood Committee, High-tech Zone, Mianyang City, Sichuan Province
67	Mianyang Leading Dongyuan Yuecheng	Mianyang	50%	Residential/ Commercial/ Carpark/ Ancillary/Others	116,755	2023/6	472,891	C, Dengta Community, Qingyi Town, Fucheng District, Mianyang City, Sichuan Province
68	Ya'an Yuejiangting	Ya'an	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	16,674	2021/10	76,424	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
69	Xichang Tianyu	Xichang	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	26,935	2022/8	112,331	Section 1, Linhuanhai Road, Chengdongchuanxing, Xichang City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
70	Kaili Leading Tianyu	Kaili	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	251,148	2025/5	942,161	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
71	Chengdu Xindu Yue House	Chengdu	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	310,866	2024/11	582,496	No. 600, East Section of Xueyuan, Xindu District, Chengdu City, Sichuan Province
72	Luzhou Lantai House	Luzhou	54%	Residential/ Commercial/ Carpark/ Ancillary/Others	52,767	2022/11	180,443	East side of Changjiang Primary School, Shawan District, Luzhou City, Sichuan Province
73	Chengdu Tianfu Kangcheng (Duneng)	Chengdu	91%	Residential/ Commercial/ Carpark/ Ancillary	90,121	2025/3	229,601	East of Huanhu East Road, Shigao Town, Renshou County
74	Chengdu Tianfu Kangcheng (Shengyu)	Chengdu	100%	Commercial/ Carpark/ Ancillary/Others	60,638	2028/6	271,425	East of Huanhu East Road, Shigao Town, Renshou County
75	Chengdu Tianfu Kangcheng (Yuandi)	Chengdu	91%	Residential/ Commercial/ Carpark/ Ancillary	85,773	2022/9	356,594	East of Huanhu East Road, Shigao Town, Renshou County
76	Urumqi Jinshang Lantai Mansion	Urumchi	60%	Residential/ Commercial/ Carpark/ Ancillary/Others	25,371	2022/10	69,961	East of Liyushan Road, High- tech Zone, Urumqi City
77	Urumqi Tianjing Yunzhu	Urumchi	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	30,178	2023/12	108,083	Main Road, Changchun Middle Road, Urumqi City
78	Yibin Guanjiang House	Yibin	55%	Residential/ Commercial/ Carpark/ Ancillary	132,479	2024/12	336,980	Lingang Economic and Technological Development Zone, Yibin City
79	Nanchong Jinwei Leading Yue Town	Nanchong	45%	Residential/ Commercial/ Carpark/ Ancillary/Others	90,142	2024/8	289,099	Plot 2 on the east side of Financial Avenue, North New City, Shunqing District, Nanchong City



No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
80	Guangyuan Leading Town	Guangyuan	100%	Residential/ Commercial/ Carpark/ Ancillary	290,480	2024/12	601,327	Located on the east side of Kangyang Avenue in Heishipo Forest Park and the north side of Qiaoge Road in Xuefeng Office, Lizhou District, Guangyuan City
81	Panzhihua Ruxiang Flower City	Panzhihua	51%	Commercial/ Carpark/ Ancillary	10,562	2022/10	39,173	Ganbatang Area, Huacheng New District, Panzhihua City
82	Chengdu Leading Guanjiang House	Dujiangyan	100%	Residential/ Commercial/ Carpark/ Ancillary/Others	78,475	2022/11	238,073	North of Baishui East Road, East of Shangshan East Road, Dujiangyan City, Sichuan Province
83	Suining Taoli Jun	Suining	34%	Residential/ Commercial/ Carpark/ Ancillary/Others	30,808	2023/5	124,436	East of Suizhou North Road, North of Hongqiao East Street, Suining Economic Development Zone
84	Xichang Leading Guanyuan	Xichang	70%	Residential/ Commercial/ Carpark/ Ancillary/Others	90,531	2023/2	122,385	The southeast area of the downtown area of Xichang
85	Luohe Lishang Lantai Mansion	Luohe	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	106,858	2024/7	336,507	West of High-speed Railway Bridge, on the north side of Shali Industry Cluster, South of Lihe, Luohe City, Henan Province
86	Huili Xuefu No.1	Huili	32%	Residential/ Commercial/ Carpark/ Ancillary/Others	33,459	2022/11	131,083	Yingding Community of Huili No.1 Middle School
87	Zhangjiajie Xinsong Leading Robot Happy Town	Zhangjiajie	35%	Residential/ Commercial/ Carpark/ Ancillary	77,783	2022/12	278,740	On the east side of Huatian Phase I, on the south side of Binhe Road, on the north side of Indigo Plaza, on the west side of Yingbin Road, Guanliping Office, Yongding District, Zhangjiajie City
88	Chengdu Tianfu Leading Town	Chengdu	50%	Residential/ Commercial/ Carpark/ Ancillary/Others	271,501	2023/9	766,198	(No. 18, Section 2, Shengwu Cheng Middle Road, Shuangliu District) Tianfu International Biological City, Chengdu City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
89	Chengdu Leading Hexing Lifu Lantai Mansion	Pengzhou	51%	Residential/ Commercial/ Carpark/ Ancillary/Others	64,309	2023/5	167,988	Qingyang Village, Zhihe Town, Pengzhou City
90	Chengdu Huguang Heyue	Pengzhou	51%	Residential/ Commercial/ Carpark/ Ancillary	41,343	2023/9	140,955	South side of Section 1, Huanhu Road, West side of Kaixuan Avenue, Zhihe Street, Pengzhou City
91	Leshan Biguiyuan Leading Tangyue Lantai	Leshan	50%	Residential/ Commercial/ Carpark/ Ancillary	56,197	2023/7	187,354	South side of Tanmu South Street, Shizhong District, Leshan, Sichuan Province
92	Ya'an Feicui Garden	Ya'an	50%	Residential/ Commercial/ Carpark/ Ancillary	35,652	2023/3	168,229	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
93	Mianyang Leading City	Mianyang	51%	Residential/ Commercial/ Carpark/ Ancillary	532,682	2030/1	1,236,887	Longmen Town, Fucheng District, Mianyang City
94	Leshan Lanshan Yue	Leshan	100%	Residential/ Commercial/ Carpark/ Ancillary	25,560	2023/9	75,753	North side of Changqing Road, west side of Ruixiang Road, Qingjiang Area, Leshan, Sichuan Province
95	Meishan Leading Jiangyue Lantai	Meishan	55%	Residential/Office/ Commercial/ Carpark/ Ancillary/Others	60,201	2024/7	187,426	East of Dongpo No. 5 Kindergarten and Wen'an East Road; south of Qitong Road; west of reserved land; north of Kegongyuan 2nd Road Meishan City, Sichuan Province,
96	Meishan Leading Yueyuan	Meishan	55%	Residential/Office/ Commercial/ Carpark/ Ancillary/Others	54,667	2024/9	129,814	North New Town Plate, near Suti Park, Meishan City, Sichuan Province
Subtotal							<u><u>16,692,912</u></u>	
Properties developed by joint ventures and associates								
1	Chengdu Bocuiling Lake	Chengdu	49%	Residential/ Carpark/Others	29,995	2019/12	1,891	Group 6, Garden Community, Dongsheng Street, Shuangliu District, Chengdu City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
2	Leshan Emei the Grand Sight	Leshan	61%	Commercial/ Ancillary	50,302	2021/1	21,940	On the north side of Exiu Lake, Emeishan City, Sichuan Province
3	Xuzhou Dongchen Hua House	Xuzhou	47%	Residential/ Commercial/ Carpark/ Ancillary/Others	31,251	2021/9	52,744	Rongchuangchen Mansion, North of Laohu Mountain, Yangguang Road, Dahuangshan Town, Economic Development Zone, Xuzhou City, Jiangsu Province
4	Xuzhou Fengming Taoyuan Fengyasong	Xuzhou	47%	Residential/ Commercial/ Carpark/ Ancillary	141,979	2022/6	102,232	The southern plot of Xuzhou City, Jiangsu Province is located at Taihe South Road, Jiawang District, west of Fengming Road, and north of Shanshui Avenue. The northern plot is located on the north side of Taihe Road, Jiawang District, south of Fuhong Road, and west of Fengming Road
5	Xuzhou Fengming Taoyuan	Xuzhou	47%	Residential/ Commercial/ Carpark/ Ancillary/Others	234,196	2021/6	28,111	Fengming East Road, West of Paihonggou, Yancun, South of Jiabian Road, Jiawang District, Xuzhou City, Jiangsu Province
6	Zhangjiakou Yuanjun Manting Fangyuan	Zhangjiakou	34%	Residential/ Commercial/ Carpark/ Ancillary/Others	170,592	2026/12	101,085	Shalingzi Town, Xuanhua District, Zhangjiakou City, Henan Province
7	Leshan Qingjiang Lantai Mansion	Leshan	40%	Residential/ Commercial/ Carpark/ Ancillary/Others	50,000	2020/12	7,140	No. 533 Ruihan Road, Shizhong District, No. 1065 Taibai Road, Shizhong District, Leshan City, Sichuan Province
8	Ya'an Tianlan	Ya'an	51%	Residential/ Commercial/ Carpark/ Ancillary	15,530	2020/5	6,131	Chenghou Road, Yucheng District, Ya'an City, Sichuan Province
9	Ya'an Tianlu Bay	Ya'an	34%	Residential/ Commercial/ Carpark/ Ancillary/Others	70,140	2023/9	76,758	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
10	Shenzhen Tianyu Garden	Shenzhen	50%	Residential/ Commercial/ Carpark/ Ancillary	20,652	2023/9	66,460	Northwest of the intersection of Pingan Road and Zhanggui Road, Guanlan Street, Longhua District, Shenzhen

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use <sup>(1)</sup>	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank <sup>(2)</sup> (sq.m.)	Address
11	Leshan Hengbang Shuanglin Global Center	Leshan	48%	Residential/Office/ Commercial/ Carpark/ Ancillary	31,632	2021/6	26,957	The junction of Fenghuang Road and Boyang Road, Central District, Leshan City, Sichuan Province
12	Leshan Qingjiang House	Leshan	35%	Residential/ Commercial/ Carpark/ Ancillary	113,204	2023/10	160,350	Intersection of Fengzhou Road and Zhile Road, Qingjiang District, Leshan City, Sichuan
13	Jiangyou Shidaizhiguang	Jiangyou	35%	Residential/ Commercial/ Carpark/ Ancillary/Others	94,359	2022/11	116,475	Libai Avenue, Jiangyou City, Mianyang City, Sichuan Province
14	Xichang Nanshan House	Xichang	20%	Residential/ Commercial/ Carpark/ Ancillary/Others	66,322	2022/12	37,242	Zhangjiatun Village, Xijiao Township, Xichang City, Sichuan Province
15	Emei Lotus Lake	Leshan	40%	Residential/ Commercial/ Carpark/ Ancillary/Others	247,377	2025/11	167,830	Penggui Village, Guihuaqiao Town, Shili Village, Shengli Town, Emeishan City, Sichuan Province
16	Nantong Longteng Hua House	Nantong	3%	Residential/ Commercial/ Carpark/ Ancillary/Others	125,950	2024/11	8,268	North of Dongxinghu Avenue, Longteng Road, Nantong City, Jiangsu Province
17	Tianjing District No.1	Nanchong	33%	Residential/ Carpark/ Ancillary	51,155	2023/7	50,119	Yan'er's Nest Area, Shunqing District, Nanchong, Sichuan Province
18	Tianjing District No.2	Nanchong	33%	Residential/ Commercial/ Carpark/ Ancillary/Others	45,567	2024/10	35,617	No. 2021-b-9 Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province,
Subtotal							<u>1,067,350</u>	
Total							<u>17,760,262</u>	

*Note:*

- (1) Total GFA of the Group's land bank includes (i) GFA available for sale and total leasable GFA for completed properties, (ii) GFA for properties under development and (iii) GFA for properties held for future development. For properties developed by joint ventures and associates, the total GFA will be adjusted by our equity interest in the respective project.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2021, the Group derived its revenue from four business lines, namely (i) sale of properties; (ii) commercial property operations; (iii) hotel operations; and (iv) project management.

Revenue of the Group decreased by 2.9% from approximately RMB4,438.65 million for the six months ended 30 June 2021 to approximately RMB4,311.91 million for the six months ended 30 June 2021, primarily due to the decrease in the revenue from sale of properties. The following table sets forth the details of the Group's total revenue by business line for the periods indicated:

	For the six months ended 30 June			
	2021		2020	
	(RMB'000)	%	(RMB'000)	%
Sale of properties	4,230,357	98.1%	4,385,496	98.8%
Commercial property operations	51,667	1.2%	38,756	0.9%
Hotel operations	25,802	0.6%	12,729	0.3%
Project management	4,082	0.1%	1,671	0.0%
<b>Total</b>	<b>4,311,908</b>	<b>100.0%</b>	<b>4,438,652</b>	<b>100.0%</b>

### *Sale of Properties*

Revenue from sale of properties of the Group decreased by 3.5% from approximately RMB4,385.50 million for the six months ended 30 June 2020 to approximately RMB4,230.36 million for the six months ended 30 June 2021, primarily due to that the Group's aggregate GFA recognized decreased from 522,500 sq.m. for the six months ended 30 June 2020 to 450,895 sq.m. for the six months ended 30 June 2021, which was primarily contributed by decrease in the number of completed and delivered property projects of the Group, particularly the decrease in the contribution of the Chengdu-Chongqing Economic Zone and Sichuan province. The effect of such decrease in GFA recognized has also partially offset by the increase of recognized ASP from sale of properties for the six months ended 30 June 2021.

### ***Commercial Property Operations***

Revenue from commercial property operations of the Group increased by 33.3% from approximately RMB38.76 million for the six months ended 30 June 2020 to approximately RMB51.67 million for the six months ended 30 June 2021, primarily due to an increase in occupancy rates of the Group's investment properties during the period.

### ***Hotel Operations***

Revenue from hotel operations of the Group increased by 102.7% from approximately RMB12.73 million for the six months ended 30 June 2020 to approximately RMB25.8 million for the six months ended 30 June 2021, primarily due to an increase in the occupancy rates of the hotels managed by the Group.

### ***Project Management***

Revenue from project management of the Group increased by 144.3% from approximately RMB1.67 million for the six months ended 30 June 2020 to approximately RMB4.08 million for the six months ended 30 June 2021, primarily due to management service fees received from residential property development project in Guang'an.

## **COST OF SALES**

The Group's cost of sales primarily represents the costs it incurs directly for the property development activities as well as its commercial property, hotel and project management operations. The principal components of cost of sales for property development include cost of properties sold, which represents direct construction costs, land acquisition costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The cost of sales of the Group increased by 21.34% from approximately RMB2,832.23 million for the six months ended 30 June 2020 to approximately RMB3,436.56 million for the six months ended 30 June 2021, which was mainly due to the high land acquisition cost of Haifeng Tianyu and Chengdu Xishan Lantai projects delivered in the first half of 2021.

## **GROSS PROFIT AND GROSS PROFIT MARGIN**

As the result of the foregoing, gross profit of the Group was approximately RMB1,606.42 million for the six months ended 30 June 2020, and approximately RMB875.34 for the six months ended 30 June 2021.

Gross profit margin of the Group were at approximately 20.3% for the six months ended 30 June 2021 and approximately 36.19% for the six months ended 30 June 2020, respectively.

## **OTHER INCOME**

The Group's other income and gains primarily consist of interest income, management consulting service fees, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. commercial compensation primarily represents (i) liquidated damages the Group received from property purchasers who defaulted on the payments due pursuant to their purchase agreements with the Group; and (ii) liquidated damages the Group received from the Group's property-developer business partners who breached their contracts with the Group.

Other income of the Group increased by 96.88% from approximately RMB41.69 million for the six months ended 30 June 2020 to approximately RMB82.08 million for the six months ended 30 June 2021, primarily due to the increase in bank interest income, compensation and gains from disposal of investment property. The increase in bank interest income and compensation, which primarily included the liquidated damages from the Group's property purchases, was in line with the business expansion of the Group.

## **SELLING AND MARKETING EXPENSES**

The Group's selling and marketing expenses mainly include advertising and marketing fees that the Group incurs in connection with the Group's pre-sales of properties, including the commission fees paid to third-party sales agents, as well as advertising and marketing fees incurred in relation to the leasing of the commercial properties the Group operates and manages.

Selling and marketing expenses of the Group increased by 23.24% from approximately RMB195.09 million for the six months ended 30 June 2020 to approximately RMB 240.42 million for the six months ended 30 June 2021, which was primarily due to the increase in the commission fees arising from the increase in the revenue attributable to third-party sales agents.

## **ADMINISTRATIVE EXPENSES**

The Group's administrative expenses primarily include costs for management and administrative staff.

Administrative expenses of the Group increase by 12.51% from approximately RMB248.57 million for the six months ended 30 June 2020 to approximately RMB279.66 million for the six months ended 30 June 2021, mainly due to the increased labor costs. The number of management and administrative staff of the Group increased from 1,236 as at 30 June 2020 to 1,401 as at 30 June 2021.

## **FAIR VALUE GAINS/LOSSES ON INVESTMENT PROPERTIES**

The Group develops and holds certain commercial areas in our properties on a long-term basis for rental, operating income or capital appreciation.

The Group recorded fair value profits on investment properties in the amount of approximately RMB20.9 million for the six months ended 30 June 2021, as compared to fair value losses on investment properties in the amount of approximately RMB28.76 million for the six months ended 30 June 2020. The change is primarily due to the relief of negative impact of COVID-19 on the valuation of investment properties during the Period.

## **FINANCE COSTS**

The Group's finance costs mainly represents the Group's interest expenses on bank and other borrowing as well as interest from a significant financing component of contract liabilities, which is related to the pre-sale deposits the Group received from its customers, less capitalized interest relating to properties under development.

Finance costs of the Group for the six months ended 30 June 2021 was approximately RMB157.25 million, which was almost the same as that of the same period last year (six months ended 30 June 2020: RMB157.90 million).

## **SHARE OF PROFITS AND LOSSES OF JOINT VENTURES AND ASSOCIATES**

The Group recorded share of profits of joint ventures in the amount of approximately RMB117.09 million for the six months ended 30 June 2021, as compared to share of losses of joint ventures in the amount of approximately RMB15.28 million for the six months ended 30 June 2020. The change is primarily due to the increase in the number of properties delivered for joint ventures.

The Group recorded share of losses of associates in the amount of approximately RMB1.90 million for the six months ended 30 June 2021, as compared to share of profits of associates in the amount of approximately RMB15.08 million for the six months ended 30 June 2020. The change is primarily due to the decrease in the number of properties delivered for associates.



## **INCOME TAX EXPENSE**

Income tax expenses represent corporate income tax and land appreciation tax (“LAT”) payable by the Group’s subsidiaries in the PRC.

Income tax expenses of the Group decreased by 43.17% from approximately RMB471.09 million for the six months ended 30 June 2020 to approximately RMB267.73 million for the six months ended 30 June 2021, primarily due to (i) the decrease in PRC corporate income tax of the Group resulted from the decrease in profits before tax of the Group; and (ii) the decrease in LAT resulted from the decrease in the appreciation of value of the Group’s projects.

## **PROFIT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

As a result of the foregoing, the Group recorded a profit for the period of approximately RMB125.28 million for the six months ended 30 June 2021, as compared to a profit of approximately RMB531.75 million for the six months ended 30 June 2020.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

Property development require substantial capital investment for land acquisition and construction, and it may take many months or years before positive cash flow can be generated. To date, the Group has funded its growth principally from cash generated from operations of the Group and borrowings from banks, and trust and other financings.

Following the continuous expansion of property portfolio of the Group, it is expected the saleable GFA of the Group will continue to increase from which the Group expects to generate additional operating cash. The Group intends to continue to monitor its development and construction schedules, property sales and land acquisition plans based on the cash inflow associated with existing and planned external financing opportunities, including but not limited to the issuance of corporate bonds or other debt offerings and property sales proceeds.

## **CASH POSITION**

As at 30 June 2021, the Group had cash and bank balances of approximately RMB7,784.62 million (31 December 2020: RMB5,925.09 million), pledged deposits of approximately RMB153.07 million (31 December 2020: RMB144.86 million) and restricted cash of approximately RMB1,881.88 million (31 December 2020: RMB1,602.98 million).

## INDEBTEDNESS

As at 30 June 2021, the Group had total indebtedness, including interest-bearing bank and other borrowings and lease liabilities, amounted to approximately RMB14,632.18 million (31 December 2020: approximately RMB14,268.4 million), of which RMB9,750.31 million was carried at fixed rates.

The following table sets forth the components of the Group's indebtedness as at the dates indicated:

	As at <b>30 June</b> <b>2021</b> <i>(RMB'000)</i>	As at 31 December 2020 <i>(RMB'000)</i>
<b>Non-current</b>		
Bank loans — secured	5,440,425	6,530,220
Bank loans — unsecured	561,068	800,803
Other loans — secured	3,579,232	2,836,268
Other loans — unsecured	212,878	—
Non-current portion of lease liabilities	3,684	4,824
<b>Current</b>		
Bank loans — secured	—	91,200
Other loans — secured	—	—
Other loans (securities) — unsecured	954,060	—
Current portion of lease liabilities	4,874	6,220
Current portion of long term bank loans — secured	<u>1,846,944</u>	<u>764,477</u>
Current portion of long term bank loans — unsecured	<u>238,770</u>	<u>—</u>
Current portion of long term other loans — secured	<u>1,790,244</u>	<u>3,234,389</u>
<b>Total indebtedness</b>	<u><b>14,632,179</b></u>	<u><b>14,268,401</b></u>

*Note:*

- (1) Other loans include financing arrangement with trust companies, asset management companies, other financial institutions and other third-party companies.

The following table sets forth the maturity profiles of the Group's total borrowings as at the dates indicated:

	As at <b>30 June</b> <b>2021</b> <i>(RMB'000)</i>	As at 31 December 2020 <i>(RMB'000)</i>
Repayable within one year	<u><b>4,830,018</b></u>	<u>4,090,066</u>
Repayable in the second year	<b>5,255,893</b>	7,328,913
Repayable within two to five years	<b>2,769,839</b>	1,248,501
Repayable over five years	<u><b>1,767,870</b></u>	<u>1,589,877</u>
Total	<u><b>14,623,621</b></u>	<u>14,257,357</u>

## GEARING RATIO

The net gearing ratio (as calculated by total borrowings, including interest-bearing bank and other borrowings, less cash and bank balances divided by total equity as at the end of the respective period) was approximately 0.7 times as at 30 June 2021 (31 December 2020: approximately 0.9 times). The decrease in the net gearing ratio as at 30 June 2021 was mainly due to effective measures implemented to enhance the capital structure of the Group.

## CREDIT RISK

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks. The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets. To manage this risk, deposits are mainly placed with licensed banks which are all high-credit-quality financial institutions.

The Group has no significant concentrations of credit risk in view of its large number of customers. The credit risk of the Group's other financial assets, which mainly comprise restricted cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Directors do not expect any significant losses from non-performance of these counterparties.

## **FOREIGN EXCHANGE RISKS**

The Group mainly operates its business in the PRC, and substantial all of its revenue and expenses are denominated in Renminbi, while the net proceeds from the Listing is payable in Hong Kong dollars. As at 30 June 2021, among the Group's cash at bank and on hand, RMB0.07 million, RMB0.6 million and RMB649.86 million was denominated in Hong Kong dollars, AUD dollars and US dollars, respectively, such amount was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

## **INTEREST RATE RISK**

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and use variable rate bank borrowings and other borrowings to manage its interest cost.

## **PLEDGE OF ASSETS**

As at 30 June 2021, certain of the Group's bank and other borrowings are secured by the pledges of the Group's assets with carrying values of approximately RMB14,275.4 million (31 December 2020: approximately RMB14,729.3 million) which include (i) property, plant and equipment; (ii) land use right; (iii) investment properties; (iv) properties under development; and (v) completed properties held for sale.

## **CONTINGENT LIABILITIES**

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If the Group fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, the Group does not conduct independent credit checks on its customers but rely on the credit checks conducted by the mortgagee banks.

The following table sets forth the Group's total guarantees as at the dates indicated:

	As at <b>30 June</b> <b>2021</b> <i>(RMB'000)</i>	As at 31 December 2020 <i>(RMB'000)</i>
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	<b>17,063,899</b>	11,594,320
Guarantees given to banks and other institutions in connection with facilities granted to related parties and third parties <sup>(1)</sup>	<u><b>1,362,140</b></u>	<u>1,497,640</u>
<b>Total</b>	<u><b>18,426,039</b></u>	<u><b>13,091,960</b></u>

*Note:*

- (1) All guarantees provided by or to the Controlling Shareholders and their respective close associates on the borrowings of the Group or the Controlling Shareholders and their respective close associates had been fully released immediately before the Listing.

## COMMITMENT

As at 30 June 2021, the Group's capital commitment it had contracted but yet provided for was RMB27,253.87 million, compared with RMB24,213.4 million as at 31 December 2020.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2021, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

On 16 June 2021, Mianyang Hengliang Real Estate Development Co., Ltd.\* (綿陽恒量房地產開發有限公司) (“**Mianyang Hengliang**”), an indirect wholly owned subsidiary of the Company, entered into agreements to inject capital into Sichuan Jiuyuan New Energy Technology Co., Ltd.\* (四川久遠新能源技術有限公司), Sichuan Hetian Agricultural Integrated Development Co., Ltd.\* (四川禾田農業綜合開發有限公司) and Mianyang Ruichun Enterprise Co., Ltd.\* (綿陽市瑞春實業有限公司) (collectively the “**Target Companies**”) in the aggregate amount of RMB226.7648 million. After completion of the capital injections, Mianyang Hengliang will hold 51% of equity interests of the Target Companies. For details, please refer to announcements of the Company dated 16 June 2021 and 13 July 2021.

Save as disclosed above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets as at 30 June 2021.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2021, the Group had 1,473 employees (31 December 2020: 1,303 employees). For the six months ended 30 June 2021, the staff cost recognised as expenses of the Group amounted to RMB322.97 million (30 June 2020: RMB202.65 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees’ remuneration package to include a salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee’s qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

As required by PRC regulations, the Group make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. When there are employees who leave the scheme prior to becoming fully vested in the contribution, the amount of the forfeited contribution will be used to reduce future contribution payable by the Group.

The Directors and members of the senior management receive compensation from the Group in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans. The Board will review and determine the remuneration and compensation packages of the Directors and senior management, and will receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

## **SUBSEQUENT EVENTS**

No material events were undertaken by the Group subsequent to 30 June 2021 and up to this announcement.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Save for the Company's additional 26,945,000 Shares allotted and issued on 6 January 2021 as a result of the partial exercise of an over-allotment option in connection with the Listing (for details, please refer to the announcement of the Company dated 4 January 2021), neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2021.

## **INTERIM DIVIDEND**

The Board did not recommend the payment of a interim dividend for the six months ended 30 June 2021.



## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Except for the deviation from code provision A.2.1 of the CG Code, the Company’s corporate governance practices have complied with the code on corporate governance practices. Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu Yuhui is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Liu Yuhui is the founder of the Group and has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Liu Yuhui taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Save for the deviation from code provision A.2.1 of the CG Code, the Board is of the view that the Company has adopted, applied and complied with the CG Code for the six months ended 30 June 2021.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 of the Listing Rules (the “**Model Code**”) as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2021.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees for the six months ended 30 June 2021.



## AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Ms. Jin Xu, Ms. Liang Yunxing and Mr. Fang Min. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the interim results of the Group for the six months ended 30 June 2021.

The Audit Committee has reviewed and discussed the unaudited interim results for the six months ended 30 June 2021. The interim results for the six months ended 30 June 2021 has not been audited but has been reviewed by Ernst & Young, 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.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.leading-group.com](http://www.leading-group.com)). The interim report of the Company for the six months ended 30 June 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available for review on the same websites in due course.

By order of the Board  
**Leading Holdings Group Limited**  
**Liu Yuhui**  
*Chairman*

Hong Kong, 25 August 2021

*As at the date of this announcement, the Board comprises Mr. Liu Yuhui, Mr. Luo Changlin, Ms. Zeng Xurong and Ms. Hou Xiaoping as executive Directors and Ms. Jin Xu, Ms. Liang Yunxing and Mr. Fang Min as independent non-executive Directors.*