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AGILE
雅居樂

AGILE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

PROPOSED ISSUE OF USD DENOMINATED SENIOR NOTES AND UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Company proposes to conduct an international offering of senior notes.

The completion of the Proposed Notes Issue is subject to market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. BNP PARIBAS, BOCOM International, Citigroup, Credit Suisse, FUTEC Financial and Standard Chartered Bank are the joint global coordinators, joint bookrunners and joint lead managers of the Proposed Notes Issue. The Company intends to use the net proceeds of the Notes for the refinancing of certain existing indebtedness and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), or any other subsidiary or associated company of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

No listing of the Notes has been, and will be, sought in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of senior notes.

The completion of the Proposed Notes Issue is subject to market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. BNP PARIBAS, BOCOM International, Citigroup, Credit Suisse, FUTEC Financial and Standard Chartered Bank are the joint global coordinators, joint bookrunners and joint lead managers of the Proposed Notes Issue. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalising the terms of the Notes, BNP PARIBAS, BOCOM International, Citigroup, Credit Suisse, FUTEC Financial, Standard Chartered Bank, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement. The Company will make a further announcement in respect of the Proposed Notes Issue upon the signing of the Purchase Agreement.

The Notes may only be offered, sold or delivered to non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected person of the Company. The Notes will not be the subject of public offering in any jurisdiction.

Unaudited Financial Statements

In connection with the Proposed Notes Issue, the Company will provide certain professional investors with recent financial information of the Group as extracted from the unaudited consolidated financial statements for the six months ended 30 June 2021 (the "**Unaudited Financial Statements**"). To ensure equal dissemination of information to the shareholders of the Company, the Unaudited Financial Statements is attached hereto.

Reasons for the Proposed Notes Issue

The Company intends to use the net proceeds for the refinancing of certain existing indebtedness and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

Listing

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

No listing of the Notes has been, and will be, sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Interim Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	**As at 30 June 2021 (Unaudited)**	As at 31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	**12,859,541**	12,080,847
Investment properties	6	**10,960,386**	10,849,449
Right-of-use assets	6	**3,441,413**	3,376,304
Goodwill	7	**4,622,196**	4,264,614
Other intangible assets	7	**4,039,993**	3,576,350
Investments accounted for using the equity method	8	**31,927,699**	18,179,155
Prepayments for acquisition of equity interests		**10,000**	523,321
Prepayments for acquisition of land use rights	9	**-**	34,285
Properties under development	10	**23,243,298**	30,973,623
Other receivables	12	**8,579,305**	7,508,793
Financial assets at fair value through other comprehensive income		**322,123**	510,639
Deferred income tax assets		**1,481,590**	1,392,281
		101,487,544	93,269,661
Current assets			
Properties under development	10	**80,925,093**	82,148,512
Completed properties held for sale	11	**17,260,770**	19,092,671
Inventories		**295,890**	248,325
Prepayments for acquisition of land use rights	9	**7,102,659**	8,311,775
Contract assets		**4,058,997**	3,204,597
Trade and other receivables	12	**55,811,527**	50,021,335
Prepaid income taxes		**4,785,630**	5,355,663
Financial assets at fair value through profit or loss	13	**1,503,154**	1,247,819
Restricted cash	14	**10,647,890**	8,938,792
Cash and cash equivalents	15	**46,512,122**	41,925,908
		228,903,732	220,495,397
Total assets		**330,391,276**	313,765,058

Interim Consolidated Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	16	**3,421,883**	3,421,883
Shares held for Share Award Scheme	17	**(156,588)**	(156,588)
Other reserves	18	**4,564,159**	3,416,513
Retained earnings		**47,241,223**	44,133,820
		55,070,677	50,815,628
Perpetual Capital Securities	19	**13,013,810**	13,637,493
Non-controlling interests		**21,882,534**	12,516,601
Total equity		**89,967,021**	76,969,722
LIABILITIES			
Non-current liabilities			
Borrowings	20	**58,412,878**	59,243,748
Other payables	21	**4,670,829**	4,284,452
Financial liabilities at fair value through profit or loss	22	**6,611**	101,235
Contract liabilities	23	**117,746**	75,271
Lease liabilities		**410,267**	392,927
Deferred income tax liabilities		**3,976,706**	4,087,131
		67,595,037	68,184,764
Current liabilities			
Borrowings	20	**39,486,623**	38,569,018
Trade and other payables	21	**73,314,728**	75,229,690
Financial liabilities at fair value through profit or loss	22	**447,109**	1,004,423
Contract liabilities	23	**42,211,917**	36,306,083
Lease liabilities		**229,815**	244,011
Current income tax liabilities		**17,139,026**	17,257,347
		172,829,218	168,610,572
Total liabilities		**240,424,255**	236,795,336
Total equity and liabilities		**330,391,276**	313,765,058

The notes on pages 32 to 83 form an integral part of this interim financial information.

Interim Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June 2021 (Unaudited)	2020 (Unaudited)
Operation			
Revenue	5	**38,587,759**	33,527,374
Cost of sales	27	**(27,739,181)**	(22,006,936)
Gross profit		**10,848,578**	11,520,438
Selling and marketing costs	27	**(1,273,482)**	(952,070)
Administrative expenses	27	**(1,899,444)**	(1,713,554)
Net impairment losses on financial and contract assets		**(198,222)**	(98,127)
Other gains, net	24	**4,253,080**	2,831,959
Other income	25	**787,574**	777,584
Other expenses	26	**(112,698)**	(128,308)
Operating profit		**12,405,386**	12,237,922
Finance costs, net	28	**(1,239,305)**	(1,342,235)
Share of post-tax profits of investments accounted for using the equity method	8	**195,619**	491,115
Profit before income tax		**11,361,700**	11,386,802
Income tax expenses	29	**(4,891,083)**	(5,047,603)
Profit for the period		**6,470,617**	6,339,199
Profit attributable to:			
Shareholders of the Company		**5,290,297**	5,127,482
Holders of Perpetual Capital Securities	19	**507,533**	549,386
Non-controlling interests		**672,787**	662,331
		6,470,617	6,339,199
Earnings per share from continuing operations attributable to the shareholders of the Company for the period (expressed in Renminbi per share)			
— Basic	30	**1.363**	1.321
— Diluted	30	**1.363**	1.321

The notes on pages 32 to 83 form an integral part of this interim financial information.

Interim Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Profit for the period	**6,470,617**	6,339,199
Other comprehensive income for the period		
Items that will not be reclassified subsequently to profit or loss		
— Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	**(175,342)**	(14,285)
Items that may be reclassified to profit or loss		
— Currency translation differences	**(12,084)**	(5,678)
Other comprehensive income for the period, net of tax	**(187,426)**	(19,963)
Total comprehensive income for the period	**6,283,191**	6,319,236
Total comprehensive income attributable to:		
Shareholders of the Company	**5,116,840**	5,116,925
Holders of the Perpetual Capital Securities	**507,533**	549,386
Non-controlling interests	**658,818**	652,925
	6,283,191	6,319,236

The notes on pages 32 to 83 form an integral part of this interim financial information.

Interim Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Unaudited							
	Attributable to the owners of the Company							
	Share capital and premium (note 16)	Shares held for Share Award Scheme (note 17)	Other reserves (note 18)	Retained earnings	Total	Perpetual Capital Securities (note 19)	Non-controlling interests	Total equity
Six months ended 30 June 2021								
Balance at 1 January 2021	**3,421,883**	**(156,588)**	**3,416,513**	**44,133,820**	**50,815,628**	**13,637,493**	**12,516,601**	**76,969,722**
Comprehensive income								
Profit for the period	**–**	**–**	**-**	**5,290,297**	**5,290,297**	**507,533**	**672,787**	**6,470,617**
Other comprehensive income								
— Currency translation differences	**–**	**–**	**3,302**	**-**	**3,302**	**-**	**(15,386)**	**(12,084)**
— Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	**–**	**–**	**(176,759)**	**-**	**(176,759)**	**-**	**1,417**	**(175,342)**
Total comprehensive income for the six months ended 30 June 2021	**–**	**–**	**(173,457)**	**5,290,297**	**5,116,840**	**507,533**	**658,818**	**6,283,191**
Transfer to statutory reserve and enterprise expansion funds (note 18)	**–**	**–**	**218,287**	**(218,287)**	**–**	**–**	**–**	**–**
Distribution to holders of Perpetual Capital Securities (note 19)	**–**	**–**	**–**	**–**	**–**	**(504,314)**	**–**	**(504,314)**
Redemption of perpetual capital securities	**–**	**–**	**–**	**(18,878)**	**(18,878)**	**(626,902)**	**–**	**(645,780)**
Non-controlling interests on acquisition of subsidiaries (note 33)	**–**	**–**	**–**	**–**	**–**	**–**	**372,470**	**372,470**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(117,206)**	**(117,206)**
Capital withdrawn by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(597,700)**	**(597,700)**
Capital injection by non-controlling interests	**–**	**–**	**1,102,816**	**–**	**1,102,816**	**–**	**9,450,575**	**10,553,391**
Dividends distribution to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(401,024)**	**(401,024)**
Dividends (note 31)	**–**	**–**	**–**	**(1,945,729)**	**(1,945,729)**	**–**	**–**	**(1,945,729)**
Total transactions with owners, recognised directly in equity for the six months ended 30 June 2021	**–**	**–**	**1,321,103**	**(2,182,894)**	**(861,791)**	**(1,131,216)**	**8,707,115**	**6,714,108**
Balance at 30 June 2021	**3,421,883**	**(156,588)**	**4,564,159**	**47,241,223**	**55,070,677**	**13,013,810**	**21,882,534**	**89,967,021**

Interim Consolidated Statement of Changes in Equity (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Unaudited							
	Attributable to the owners of the Company							
	Share capital and premium (note 16)	Shares held for Share Award Scheme (note 17)	Other reserves (note 18)	Retained earnings	Total	Perpetual Capital Securities (note 19)	Non-controlling interests	Total equity
Six months ended 30 June 2020								
Balance at 1 January 2020	3,421,883	(156,588)	2,931,267	38,277,061	44,473,623	13,566,867	7,295,986	65,336,476
Comprehensive income								
Profit for the period	–	–	–	5,127,482	5,127,482	549,386	662,331	6,339,199
Other comprehensive income								
— Currency translation differences	–	–	3,728	–	3,728	–	(9,406)	(5,678)
— Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	(14,285)	–	(14,285)	–	–	(14,285)
Total comprehensive income for the six months ended 30 June 2020	–	–	(10,557)	5,127,482	5,116,925	549,386	652,925	6,319,236
Transfer to statutory reserve and enterprise expansion funds (note 18)	–	–	172,571	(172,571)	–	–	–	–
Distribution to holders of Perpetual Capital Securities (note 19)	–	–	–	–	–	(482,835)	–	(482,835)
Non-controlling interests on acquisition of subsidiaries	–	–	–	–	–	–	1,840,173	1,840,173
Acquisition of additional interests in subsidiaries	–	–	(177,239)	–	(177,239)	–	(52,761)	(230,000)
Dividends distribution to non-controlling interests	–	–	–	–	–	–	(386,508)	(386,508)
Capital injection by non-controlling interests	–	–	–	–	–	–	659,486	659,486
Other transaction with non-controlling interests	–	–	1,590	–	1,590	–	1,798	3,388
Dividends (note 31)	–	–	–	(1,416,131)	(1,416,131)	–	–	(1,416,131)
Total transactions with owners, recognised directly in equity for the six months ended 30 June 2020	–	–	(3,078)	(1,588,702)	(1,591,780)	(482,835)	2,062,188	(12,427)
Balance at 30 June 2020	3,421,883	(156,588)	2,917,632	41,815,841	47,998,768	13,633,418	10,011,099	71,643,285

The notes on pages 32 to 83 form an integral part of this interim financial information.

Interim Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June 2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**7,677,578**	16,364,049
Interest paid		**(2,681,666)**	(3,210,858)
PRC income tax paid		**(4,168,535)**	(5,632,145)
Net cash generated from operating activities		**827,377**	7,521,046
Cash flows from investing activities			
Cash (paid)/received for acquisition of subsidiaries through business combination	33	**(109,783)**	311,629
Net cash (outflow)/inflow on disposal of the subsidiaries	32	**(1,377,777)**	301,921
Proceeds from disposal of property, plant and equipment and intangible assets		**19,012**	391,997
Purchases of property, plant and equipment, self-used land use rights and intangible assets		**(1,452,197)**	(1,469,207)
Repayment of cash advances from joint ventures and associates and other related parties		**6,043,603**	4,027,913
Cash advances made to joint ventures, associates and other related parties		**(4,791,790)**	(8,091,783)
Prepayment for acquisitions of equity interests		**(10,000)**	–
Investments in joint ventures and associates		**(8,555,732)**	(103,588)
(Payments)/proceeds received to settle derivative financial instruments		**(755,559)**	12,708
Purchase of wealth management products		**(16,529,430)**	(9,016,488)
Redemption of wealth management products		**16,483,317**	7,493,059
Payment for acquisition of other financial assets at fair value through profit or loss		**(129,246)**	–
Proceeds from disposal of other financial assets at fair value through profit or loss		**–**	10,914
Payment for acquisition of financial assets at fair value through other comprehensive income		**(6,565)**	(61,568)
Proceeds from disposal of financial assets at fair value through other comprehensive income		**–**	500
Proceeds from disposal of joint ventures		**–**	362,148
Interest and dividend income received		**1,326,823**	660,831
Net cash used in investing activities		**(9,845,324)**	(5,169,014)

Interim Consolidated Statement of Cash Flows (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June 2021 (Unaudited)	2020 (Unaudited)
Cash flows from financing activities			
Redemption of perpetual capital securities		**(645,780)**	–
Net proceeds from borrowings		**25,220,367**	27,104,998
Repayments of borrowings		**(22,236,091)**	(28,215,624)
Repayments of cash advances made to related parties		**(1,734,082)**	(389,428)
Cash advances from related parties		**1,775,955**	4,307,606
Cash advance from non-controlling interests and third parties		**5,309,977**	4,547,867
Repayment of cash advance from non-controlling interests and third parties		**(2,588,726)**	(3,827,071)
Principal elements of lease payments		**(148,337)**	(116,037)
Decrease in restricted deposits as guarantee		**296,892**	120,321
Acquisition of additional interests in subsidiaries from non-controlling interests		**–**	(230,000)
Capital withdrawn by non-controlling interests		**(597,700)**	–
Capital injection by non-controlling interests		**10,553,391**	659,486
Other transaction with non-controlling interests		**–**	3,388
Distribution to holders of Perpetual Capital Securities		**(504,314)**	(482,835)
Dividends paid to shareholders of the Company		**(947,939)**	(685,372)
Dividends paid to non-controlling interests		**(109,142)**	(315,538)
Net cash generated from financing activities		**13,644,471**	2,481,761
Net increase in cash and cash equivalents		**4,626,524**	4,833,793
Net cash and cash equivalents at 1 January		**41,925,908**	33,551,303
Exchange losses on cash and cash equivalents		**(40,310)**	(23,327)
Cash and cash equivalents at 30 June	15	**46,512,122**	38,361,769

The notes on pages 32 to 83 form an integral part of this interim financial information.

1 General information

Agile Group Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the "**Group**") are principally engaged in property development and property management in the People's Republic of China (the "**PRC**").

The Company's shares have been listed on Hong Kong Stock Exchange since 15 December 2005.

The condensed consolidated interim financial information was approved by the Board of Directors of the Company on 18 August 2021.

The outbreak of the 2019 Novel Coronavirus ("**COVID-19**") had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the industry of real estate including the construction and delivery of properties, rental revenue and occupancy rate of investment properties, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. Since the outbreak of COVID-19, the Group has been keeping continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issuance, COVID-19 does not have any material adverse impact on the financial position and operating results of the Group.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020 and any public announcement made by the Company during the six months ended 30 June 2021.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (note 29) and the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform — Phase 2 — Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16.

The amendments listed above did not have significant impact on the amounts recognised in the current or prior periods and is not likely to affect future periods.

(b) New standards and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group

		Effective for accounting periods beginning on or after
Accounting Guideline 5 (revised)	Revised Accounting Guideline 5 Merger Accounting	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use	1 January 2022
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments	1 January 2022
Amendments to HKAS 37	Provisions, contingent liabilities and contingent assets	1 January 2022
Annual Improvements Projects	Annual Improvements to HKFRSs 2018–2020 (amendments)	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance contract	1 January 2023
Amendments to HK Interpretation 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations.

4 Fair value measurement of financial instruments

(a) Fair value hierarchy

The hierarchy of financial assets or financial liabilities measured at fair value is as follows:

At 30 June 2021 (unaudited)	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss (FVPL)				
— Hong Kong listed equity securities and debt instruments	**157,073**	**–**	**–**	**157,073**
— Unlisted equity securities	**–**	**–**	**484,193**	**484,193**
— Wealth management products	**–**	**–**	**774,344**	**774,344**
— Others	**–**	**–**	**87,544**	**87,544**
	157,073	**–**	**1,346,081**	**1,503,154**
Financial assets at fair value through other comprehensive income (FVOCI)				
— Hong Kong listed equity securities	**263,755**	**–**	**–**	**263,755**
— Unlisted equity securities	**–**	**–**	**58,368**	**58,368**
	263,755	**–**	**58,368**	**322,123**
Total financial assets	**420,828**	**–**	**1,404,449**	**1,825,277**
Financial liabilities				
Financial liabilities at FVPL				
— Derivative financial instruments	**–**	**353,675**	**–**	**353,675**
— Put options	**–**	**–**	**100,045**	**100,045**
Total financial liabilities	**–**	**353,675**	**100,045**	**453,720**

4 Fair value measurement of financial instruments (Continued)

(a) Fair value hierarchy (Continued)

At 31 December 2020 (audited)	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVPL				
— Hong Kong listed equity securities and debt instruments	165,476	–	–	165,476
— Unlisted equity securities	–	–	354,951	354,951
— Wealth management products	–	–	635,923	635,923
— Others	–	–	91,469	91,469
	165,476	–	1,082,343	1,247,819
Financial assets at FVOCI				
— Hong Kong listed equity securities	462,017	–	–	462,017
— Unlisted equity securities	–	–	48,622	48,622
	462,017	–	48,622	510,639
Total financial assets	627,493	–	1,130,965	1,758,458
Financial liabilities				
Financial liabilities at FVPL				
— Derivative financial instruments	–	1,010,883	–	1,010,883
— Put options	–	–	94,775	94,775
Total financial liabilities	–	1,010,883	94,775	1,105,658

4 Fair value measurement of financial instruments (Continued)

(a) Fair value hierarchy (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a no recurring basis as at 30 June 2021.

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of foreign currency forwards is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, wealth management products and others explained in (c) below.

4 Fair value measurement of financial instruments (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2021 and 2020:

	Financial assets (unaudited)	**Financial liabilities (unaudited)**
Balance as at 31 December 2020	**1,130,965**	**(94,775)**
Additions	**16,658,676**	**–**
Addition through business combinations (note 33)	**29,375**	**–**
Finance costs	**–**	**(7,244)**
Redemption of wealth management products	**(16,483,317)**	**–**
Gains recognised in other gains, net	**64,029**	**1,974**
Gains recognised in other comprehensive income	**4,721**	**–**
Balance as at 30 June 2021	**1,404,449**	**(100,045)**

	Financial assets (unaudited)	Financial liabilities (unaudited)
Balance as at 31 December 2019	826,340	(70,436)
Additions	9,016,488	–
Addition through business combinations	253,751	–
Redemption of wealth management products	(7,493,059)	–
Disposal	(700)	–
Gains recognised in other gains, net	32,164	(6,406)
Balance as at 30 June 2020	2,634,984	(76,842)

4 Fair value measurement of financial instruments (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3) (Continued)

Valuation processes

The finance department of the Group includes a team that performs the valuations of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation methodologies to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included the unlisted equity securities, wealth management products and put options (note 13 and note 22). As the investments are not traded in an active market, their fair value have been determined by discounted cash flows. The main level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

- Earnings growth factor for unlisted equity securities, wealth management products and others: these are estimated based on market information for similar types of companies and products.

- Expected cash inflows: these are estimated based on the terms of the operating contract, the entity's knowledge of the business and how the current economic environment is likely to impact it.

(d) Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different from their carrying amounts, since the interest receivable and payable is either close to current market rates or the instruments are short-term in nature.

5 Segment information

The executive directors of the Company, which are the chief operating decision-maker of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into three business segments: property development, property management and others. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the PRC, most of the non-current assets are located in the PRC, and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being profit before income tax before deducting finance costs. The Group has a large number of customers, none of whom contributed 5% or more of the Group's revenue.

5 Segment information (Continued)

Segment results for the six months ended 30 June 2021 and 2020 are as follows:

Six months ended 30 June 2021 (unaudited)

	Property development (note (a))	Property management (note (b))	Others (note (c))	Group
Gross segment sales	**32,091,522**	**6,247,156**	**1,503,885**	**39,842,563**
Inter-segment sales	**–**	**(1,254,804)**	**–**	**(1,254,804)**
Sales to external customers	**32,091,522**	**4,992,352**	**1,503,885**	**38,587,759**
Timing of revenue recognition				
— At a point in time	**27,345,285**	**119,695**	**389,319**	**27,854,299**
— Over time	**4,746,237**	**4,872,657**	**1,114,566**	**10,733,460**
Fair value gains on investment properties (note 6)	**–**	**–**	**600**	**600**
Operating profit	**11,046,766**	**1,083,026**	**275,594**	**12,405,386**
Share of post-tax profits/(losses) of investments accounted for using the equity method (note 8)	**167,344**	**33,268**	**(4,993)**	**195,619**
Segment result	**11,214,110**	**1,116,294**	**270,601**	**12,601,005**
Finance costs, net (note 28)				**(1,239,305)**
Profit before income tax				**11,361,700**
Income tax expenses (note 29)				**(4,891,083)**
Profit for the period				**6,470,617**
Depreciation and amortisation	**298,823**	**118,040**	**211,877**	**628,740**
Write-down of properties under development, completed properties held for sale and property, plant and equipment	**324,543**	**–**	**–**	**324,543**

5 Segment information (Continued)

Segment results for the six months ended 30 June 2021 and 2020 are as follows: (Continued)

Six months ended 30 June 2020 (unaudited)

	Property development (note (a))	Property management (note (b))	Others (note (c))	Group
Gross segment sales	29,310,114	4,001,627	1,040,445	34,352,186
Inter-segment sales	–	(824,812)	–	(824,812)
Sales to external customers	29,310,114	3,176,815	1,040,445	33,527,374
Timing of revenue recognition				
— At a point in time	26,259,603	18,397	271,830	26,549,830
— Over time	3,050,511	3,158,418	768,615	6,977,544
Fair value gains on investment properties (note 6)	–	–	12,513	12,513
Operating profit	11,326,517	718,735	192,670	12,237,922
Share of post-tax profits of investments accounted for using the equity method (note 8)	466,396	21,974	2,745	491,115
Segment result	11,792,913	740,709	195,415	12,729,037
Finance costs, net (note 28)				(1,342,235)
Profit before income tax				11,386,802
Income tax expenses (note 29)				(5,047,603)
Profit for the period				6,339,199
Depreciation and amortisation	171,628	103,508	258,385	533,521
Write-down of properties under development, completed properties held for sale and property, plant and equipment	306,704	–	9,880	316,584

5 Segment information (Continued)

Segment assets and liabilities and capital expenditure as at 30 June 2021 are as follows (unaudited):

	Property development (note (a))	Property management (note (b))	Others (note (c))	Elimination	Group
Segment assets	**273,025,621**	**18,571,422**	**36,089,607**	**(5,387,872)**	**322,298,778**
Unallocated assets					**8,092,498**
Total assets					**330,391,276**
Segment assets include:					
Investments accounted for using the equity method (note 8)	**30,579,299**	**1,135,133**	**213,267**	**–**	**31,927,699**
Segment liabilities	**102,252,346**	**7,509,577**	**16,581,251**	**(5,387,872)**	**120,955,302**
Unallocated liabilities					**119,468,953**
Total liabilities					**240,424,255**
Capital expenditure	**448,304**	**657,646**	**1,095,706**	**–**	**2,201,656**

5 Segment information (Continued)

Segment assets and liabilities and capital expenditure as at 31 December 2020 are as follows (audited):

	Property development (note (a))	Property management (note (b))	Others (note (c))	Elimination	Group
Segment assets	259,712,640	13,651,068	36,399,135	(4,504,187)	305,258,656
Unallocated assets					8,506,402
Total assets					313,765,058
Segment assets include:					
Investments accounted for using the equity method (note 8)	16,863,326	1,102,792	213,037	–	18,179,155
Segment liabilities	100,480,715	4,710,237	15,845,669	(4,504,187)	116,532,434
Unallocated liabilities					120,262,902
Total liabilities					236,795,336
Capital expenditure	609,384	902,356	4,482,807	–	5,994,547

5 Segment information (Continued)

(a) Property development segment mainly comprises the business units involved in development and sales of properties, property construction service and provision of ecological landscaping services and intelligent home and decoration services.

(b) Property management segment mainly comprises the business units involved in property management business and city sanitation and cleaning services operated by A-Living.

(c) Others mainly comprise the business units involved in environmental protection service and commercial management services, each of whom is less than 10% of the Group's consolidated profit before tax and revenue, segment information is not considered necessary.

(d) There are no differences from the latest annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market prices.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, properties under development, completed properties held for sale, investment properties, receivables, contract assets and cash balances. Unallocated assets comprise deferred income tax assets, prepaid income taxes, financial assets at FVOCI and financial assets at FVPL. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and financial liabilities at FVPL.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and intangible assets.

(e) Assets recognised from incremental costs to obtain a contract

During the six months ended 30 June 2021, there was no significant incremental costs to obtain a contract (six months ended 30 June 2020: nil).

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

	Property, Plant and equipment (note (a))	Right-of-use assets (note (b))	Investment properties (note (c))
Six months ended 30 June 2021 (unaudited)			
Opening net book amount as at 31 December 2020	**12,080,847**	**3,376,304**	**10,849,449**
Additions	**1,220,266**	**225,885**	**–**
Acquisition of subsidiaries (note 33)	**159,676**	**7,700**	**110,337**
Transfer (note 7)	**(221,875)**	**–**	**–**
Disposals	**(93,256)**	**–**	**–**
Fair value gains on investment properties (note 24)	**–**	**–**	**600**
Depreciation (note 27)	**(286,117)**	**–**	**–**
Amortisation			
— Capitalised in construction in progress	**–**	**(4,989)**	**–**
— Recognised as cost of sales and expenses (note 27)	**–**	**(163,487)**	**–**
Closing net book amount as at 30 June 2021	**12,859,541**	**3,441,413**	**10,960,386**
Six months ended 30 June 2020 (unaudited)			
Opening net book amount as at 31 December 2019	11,701,956	3,077,209	8,495,950
Additions	1,358,665	54,535	–
Transfer from completed properties held for sale	–	–	274,986
Acquisition of subsidiaries	101,156	13,622	–
Disposals	(23,132)	–	–
Transfer	25,000	–	(25,000)
Fair value gains on investment properties (note 24)	–	–	12,513
Depreciation (note 27)	(327,284)	–	–
Amortisation			
— Capitalised in construction in progress	–	(2,903)	–
— Recognised as cost of sales and expenses (note 27)	–	(107,183)	–
Impairment loss	(9,880)	–	–
Closing net book amount as at 30 June 2020	12,826,481	3,035,280	8,758,449

6 Property, plant and equipment, investment properties and right-of-use assets (Continued)

Notes:

(a) As at 30 June 2021, certain self-used properties with net carrying value of RMB3,177,225,000 (31 December 2020: RMB3,758,386,000) were pledged as collateral for the Group's borrowings (note 20(e)).

(b) Right-of-use assets comprise i) cost of acquiring usage rights of certain lands, which are located in the PRC, held on leases of over 40 years, and mainly for hotel properties or self-used properties; and ii) the value of leased property, plant and equipment, held on leases of 1 to 18 years.

As at 30 June 2021, land use rights of RMB2,501,730,000 (31 December 2020: RMB3,602,128,000) were pledged as collateral for the Group's borrowings (note 20(e)).

(c) The Group measures its investment properties at fair value. At 30 June 2021, the investment properties were revalued by Vigers Appraisal & Consulting Limited, Colliers International Limited and Worldunion Appraisal Co. Ltd, independent qualified valuers, who hold recognised relevant professional qualifications. During the six months ended 30 June 2021, the fair value gains of RMB600,000 have been recognised as "other gains, net" in the Group's consolidated financial statements (six months ended 30 June 2020: RMB12,513,000) (note 24).

Valuation techniques
Fair value measurements used significant unobservable inputs (level 3).

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and the valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have made reference to the valuer's view of recent lettings, within the subject properties and other comparable properties.

Fair values of car parks are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The main Level 3 inputs used by the Group are as follows:

- Term yields, revisionary yields, market rents, and market price

For completed investment properties, increase in term yield and revisionary yields may result in decrease of fair value. Increase in market rent may result in increase of fair value.

For car parks, increase in market price may result in increase of fair value.

There were no changes in valuation techniques during the period.

Investment properties pledged as securities
As at 30 June 2021, investment properties of RMB5,436,175,000 (31 December 2020: RMB5,436,175,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 20(e)).

7 Goodwill and other intangible assets

	Goodwill	Other intangible assets	Total
Six months ended 30 June 2021 (unaudited)			
Opening net book amount as at 1 January 2021	**4,264,614**	**3,576,350**	**7,840,964**
Acquisition of subsidiaries (note 33)	**443,668**	**339,699**	**783,367**
Additions	**–**	**138,093**	**138,093**
Transfer (note 6)	**–**	**221,875**	**221,875**
Disposals	**(86,086)**	**(56,888)**	**(142,974)**
Amortisation (note 27)	**–**	**(179,136)**	**(179,136)**
Closing net book amount as at 30 June 2021	**4,622,196**	**4,039,993**	**8,662,189**
Six months ended 30 June 2020 (unaudited)			
Opening net book amount as at 1 January 2020	3,897,055	1,578,192	5,475,247
Acquisition of subsidiaries	871,135	679,654	1,550,789
Additions	–	87,683	87,683
Disposals	–	(489)	(489)
Amortisation (note 27)	–	(96,151)	(96,151)
Closing net book amount as at 30 June 2020	4,768,190	2,248,889	7,017,079

8 Investments accounted for using the equity method

The directors of the Company consider that none of the associates and the joint ventures as at 30 June 2021 was significant to the Group and thus the individual financial information of the associates and the joint ventures was not disclosed. The major associates and joint venture are disclosed in note 37(a).

The movement of the interests in the associates and the joint ventures during the period is as follows:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Balance as at 1 January	**18,179,155**	14,711,189
Additions	**8,975,778**	1,339,260
Addition through business combination	**–**	498,373
Transfer from subsidiaries (note 32 and (a))	**5,269,628**	1,564,268
Remeasurement gains on the investments in joint ventures (note 24)	**–**	825,314
Transfer to subsidiaries	**–**	(2,887,440)
Share of post-tax profits	**195,619**	491,115
Disposal (note (b))	**(10,746)**	(894,825)
Dividends received	**(681,735)**	(3,905)
Balance as at 30 June	**31,927,699**	15,643,349

Notes:

(a) During the six months ended 30 June 2021, the Group disposed of certain equity interests in several subsidiaries to independent third parties at the considerations of RMB4,837,716,000 in aggregate. Upon the completion of the disposal, the subsidiaries became the joint ventures of the Group, recognised according to the fair value of the remaining equity investments held by the Group with the disposal gains recognised in an amount of RMB4,137,174,000 (six months ended 30 June 2020: RMB1,812,304,000) (note 24 and 32).

(b) During the six months ended 30 June 2020, the Group disposed of certain joint ventures and an associate to independent third parties at the consideration of RMB935,621,000 in aggregate. Upon the completion of the disposal, the Group recognised the disposal gain in an amount of RMB40,796,000 (six months ended 30 June 2021: nil) (note 24).

As at 30 June 2021, the Group's shares of losses of certain associates and joint ventures exceeded its interests in the underlying entities, and the unrecognised share of losses amounted to RMB238,671,000 (31 December 2020: RMB186,555,000).

The contingent liabilities relating to the Group's investments accounted for using equity method are disclosed in note 34. There is no material commitment relating to the Group's investments accounted for using equity method.

9 Prepayments for acquisition of land use rights

The amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the balance sheet when the Group obtains contractual usage rights of the relevant lands.

10 Properties under development

	30 June 2021 (unaudited)	31 December 2020 (audited)
Properties under development expected to be completed:		
— Within one operating cycle included under current assets	**80,925,093**	82,148,512
— Beyond one operating cycle included under non-current assets	**23,243,298**	30,973,623
	104,168,391	113,122,135
Properties under development comprise:		
— Land use rights	**72,912,178**	82,660,462
— Construction costs and capitalised expenditures	**24,248,635**	23,613,382
— Capitalised interest	**7,007,578**	6,848,291
	104,168,391	113,122,135

Most of the Group's properties under development are located in the PRC. The relevant land use rights in the PRC are on leases of 40 to 70 years.

The capitalisation rate of borrowings for the six months ended 30 June 2021 is 6.03% (the six months ended 30 June 2020: 7.26%).

As at 30 June 2021, the balance of provision in respect of write down of properties under development was amounted to RMB1,579,788,000 (31 December 2020: RMB1,363,526,000) (note 27).

As at 30 June 2021, properties under developments of approximately RMB36,778,703,000 (31 December 2020: RMB34,368,271,000) were pledged as collateral for the Group's borrowings (note 20(e)).

The amounts of RMB44,611,021,000 as at 30 June 2021 under normal operating cycle classified as current assets were expected to be completed and delivered beyond one year (31 December 2020: RMB45,423,065,000).

11 Completed properties held for sale

All completed properties held for sale are located in the PRC. The relevant land use rights in the PRC are on leases of 40 to 70 years.

As at 30 June 2021, the balance of provision in respect of write down of completed properties held for sale was amounted to RMB805,595,000 (31 December 2020: RMB697,314,000) (note 27).

As at 30 June 2021, completed properties held for sale of approximately RMB226,709,000 (31 December 2020: RMB194,511,000) were pledged as collateral for the Group's bank borrowings (note 20(e)).

12 Trade and other receivables

	30 June 2021 (unaudited)	31 December 2020 (audited)
Trade receivables due from (note (a))		
— Third parties	**15,919,996**	10,252,982
— Joint ventures (note 37(c))	**1,546,481**	1,518,844
— Associates (note 37(c))	**2,581**	36,620
Gross trade receivables	**17,469,058**	11,808,446
Less: allowance for impairment of trade receivables	**(535,941)**	(442,004)
Total trade receivables	**16,933,117**	11,366,442
Other receivables due from:		
— Third parties	**16,327,501**	17,897,815
— Joint ventures (note 37(c))	**16,326,092**	14,666,332
— Associates (note 37(c))	**1,265,504**	619,764
— Other related parties (note 37(c))	**506,913**	493,892
— Non-controlling interests	**2,506,902**	1,957,925
Loan and interest receivables due from related parties (note 37(c))	**3,977,726**	5,390,261
Prepaid value-added taxes and other taxes	**3,796,031**	3,668,692
Deposits for acquisition of land use rights	**2,141,503**	837,000
Prepayments	**1,226,611**	1,088,577
Gross other receivables	**48,074,783**	46,620,258
Less: allowance for impairment of other receivables	**(617,068)**	(456,572)
Total other receivables	**47,457,715**	46,163,686
Less: other receivables — non-current portion	**(8,579,305)**	(7,508,793)
Other receivables — current portion	**38,878,410**	38,654,893
Trade and other receivables — current portion	**55,811,527**	50,021,335

As at 30 June 2021 and 31 December 2020, the fair value of trade and other receivables approximated their carrying amounts.

12 Trade and other receivables (Continued)

Notes:

(a) Trade receivables mainly arose from sales of properties, provision of property management, city sanitation and cleaning services, provision of ecological landscaping services and intelligent home and decoration services. Trade receivables are settled in accordance with the terms stipulated in respective sales and purchase agreements or services agreements. As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Within 90 days	**11,740,899**	7,227,242
Over 90 days and within 365 days	**4,412,678**	3,225,970
Over 365 days	**1,315,481**	1,355,234
	17,469,058	11,808,446

As at 30 June 2021, trade receivables of approximately RMB1,579,476,000 (31 December 2020: RMB1,835,110,000) were pledged as collateral for the Group's bank borrowings (note 20(e)).

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of RMB535,941,000 was made against the gross amounts of trade receivables (31 December 2020: RMB442,004,000).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

(b) The carrying amounts of trade and other receivables are mainly denominated in RMB.

13 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the following:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Current assets		
Wealth management products	**774,344**	635,923
Hong Kong listed equity securities and debt instruments	**157,073**	165,476
Unlisted equity securities	**484,193**	354,951
Others	**87,544**	91,469
	1,503,154	1,247,819

Notes:

(a) Amounts recognised in profit or loss

Decreases in fair value of financial assets at FVPL amounting to RMB419,000 are recorded as "other gains, net" in the interim consolidated income statements (for six months ended 30 June 2020: increases in fair value of RMB53,863,000) (note 24).

(b) Fair value measurements

The information about the methods and assumptions used in determining fair value is disclosed in note 4.

14 Restricted cash

As at 30 June 2021 and 31 December 2020, the Group's restricted cash were mainly denominated in RMB. The conversion of the PRC group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 30 June 2021 and 31 December 2020, restricted cash is mainly comprised of guarantee deposits for construction of pre-sold properties of RMB9,499,259,000 (31 December 2020: RMB7,441,773,000).

15 Cash and cash equivalents

	30 June 2021 (unaudited)	31 December 2020 (audited)
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	**40,912,959**	36,802,094
Short-term bank deposits	**5,599,163**	5,123,814
	46,512,122	41,925,908
Denominated in RMB (note (a))	**43,173,522**	40,199,996
Denominated in other currencies	**3,338,600**	1,725,912
	46,512,122	41,925,908

Note:

(a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

16 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
As at 30 June 2021 and 31 December 2020	10,000,000,000	1,000,000			
Issued and fully paid share capital					
At 30 June 2020 and 2021, and 31 December 2020	3,917,047,500	391,705	400,253	3,021,630	3,421,883

17 Share Award Scheme

On 10 December 2013, the Board of Directors of the Company adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("**Employee Share Trust**"), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the trustee to hold on trust. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

The award of first 30%, second 30% and remaining 40% Awarded Shares lapsed effective from 26 August 2015, 23 August 2016 and 28 August 2017 respectively. The lapsed shares held in Share Award Scheme will not be cancelled. As at 30 June 2021, the shares under the Share Award Scheme held by the Employee Share Trustee amounted to RMB156,588,000 (31 December 2020: RMB156,588,000), which was presented within equity in the interim consolidated balance sheet.

18 Other reserves

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Translation reserve	Others	Total
Six months ended 30 June 2021 (unaudited)					
Balance as at 1 January 2021	**442,395**	**4,389,670**	**5,360**	**(1,420,912)**	**3,416,513**
Transfer from retained earnings	**–**	**218,287**	**–**	**–**	**218,287**
Currency translation difference	**–**	**–**	**3,302**	**–**	**3,302**
Changes in the fair value of equity investments at FVOCI, net of tax	**–**	**–**	**–**	**(176,759)**	**(176,759)**
Capital injection from non-controlling interests	**–**	**–**	**–**	**1,102,816**	**1,102,816**
Balance as at 30 June 2021	**442,395**	**4,607,957**	**8,662**	**(494,855)**	**4,564,159**

	Merge reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Translation reserve	Others	Total
Six months ended 30 June 2020 (unaudited)					
Balance as at 1 January 2020	442,395	3,904,496	(3,174)	(1,412,450)	2,931,267
Transfer from retained earnings	–	172,571	–	–	172,571
Currency translation difference	–	–	3,728	–	3,728
Changes in the fair value of equity investments at FVOCI, net of tax	–	–	–	(14,285)	(14,285)
Acquisition of additional interest in subsidiaries	–	–	–	(177,239)	(177,239)
Other transaction with non-controlling interests	–	–	–	1,590	1,590
Balance as at 30 June 2020	442,395	4,077,067	554	(1,602,384)	2,917,632

18 Other reserves (Continued)

Notes:

(a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the Group reorganisation undertaken for listing of Company on Hong Kong Stock Exchange.

(b) Pursuant to the relevant rules and regulations concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in the form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries.

19 Perpetual Capital Securities

Movements of the Perpetual Capital Securities are as follows:

	Principal	Distribution	Total
Six months ended 30 June 2021 (unaudited)			
Balance as at 1 January 2021	**13,429,012**	**208,481**	**13,637,493**
Profit attributable to holders of Perpetual Capital Securities	**–**	**507,533**	**507,533**
Distribution made to holders of Perpetual Capital Securities	**–**	**(504,314)**	**(504,314)**
Redemption of Perpetual Capital Securities	**(626,902)**	**–**	**(626,902)**
Balance as at 30 June 2021	**12,802,110**	**211,700**	**13,013,810**
Six months ended 30 June 2020 (unaudited)			
Balance as at 1 January 2020	13,429,012	137,855	13,566,867
Profit attributable to holders of Perpetual Capital Securities	–	549,386	549,386
Distribution made to holders of Perpetual Capital Securities	–	(482,835)	(482,835)
Balance as at 30 June 2020	13,429,012	204,406	13,633,418

19 Perpetual Capital Securities (Continued)

On 27 March 2018, the Company issued senior perpetual capital securities (the "**2018 Perpetual Capital Securities I**") with the aggregate principal amount of US$500,000,000. Net proceeds after deducting the issuance cost amounted to US$491,539,000 (equivalent to approximately RMB3,107,957,000).

On 21 June 2018, the Company issued senior perpetual capital securities (the "**2018 Perpetual Capital Securities II**") with the principal amount of US$100,000,000. Net proceeds after deducting the issuance cost amounted to US$98,005,000 (equivalent to approximately RMB627,151,000). On 28 June 2021, the Company redeemed the outstanding 2018 Perpetual Capital Securities II at a redemption price of US$100,000,000 (equivalent to approximately RMB645,780,000). No redemption premium was recognised in the consolidated income statement. The difference of RMB18,878,000 between the redemption price and the principal of the redeemed Perpetual Capital Securities was mainly attributable to exchange difference and debited to retained earnings.

On 4 June 2019, the Company issued senior perpetual capital securities (the "**2019 Perpetual Capital Securities I**") with the principal amount of US$700,000,000. Net proceeds after deducting the issuance cost amounted to US$693,792,000 (equivalent to approximately RMB4,779,956,000).

On 31 October 2019, the Company issued senior perpetual capital securities (the "**2019 Perpetual Capital Securities II**") with the principal amount of US$500,000,000. Net proceeds after deducting the issuance cost amounted to US$496,558,000 (equivalent to approximately RMB3,497,619,000).

On 25 November 2019, the Company issued senior perpetual capital securities (the "**2019 Perpetual Capital Securities III**") with the principal amount of US$200,000,000. Net proceeds after deducting the issuance cost amounted to US$198,730,000 (equivalent to approximately RMB1,399,798,000).

The Perpetual Capital Securities do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated balance sheet. When the Company elects to declare dividends to its shareholders, the Company shall make distribution to the holders of Perpetual Capital Securities at the distribution rate as defined in the subscription agreement.

20 Borrowings

	30 June 2021 (unaudited)	31 December 2020 (audited)
Borrowings included in non-current liabilities:		
Senior notes (note (a))		
— Senior notes issued in 2017 ("**2017 Senior Notes**") (note (a)(i))	**1,286,782**	1,296,740
— Senior notes issued in 2018 ("**2018 Senior Notes**") (note(a)(ii))	**3,877,260**	3,907,389
— Senior notes issued in 2019 ("**2019 Senior Notes**") (note(a)(iii))	**3,223,836**	3,249,826
— Senior notes issued in 2020 ("**2020 Senior Notes**") (note (a)(iv))	**6,319,736**	6,376,999
— Senior notes issued in 2021 ("**2021 Senior Notes**") (note (a)(v))	**2,881,169**	–
PRC corporate bonds (note (b))	**7,442,137**	7,593,944
Commercial Mortgage Backed Securities (note (c))	**4,079,603**	4,094,763
Asset-backed securities (note (d))	**948,820**	1,154,394
Long-term syndicated loans		
— secured (note (e))	**16,031,810**	14,882,424
— unsecured (note (f))	**720,412**	1,155,245
Long-term bank borrowings		
— secured (note (e))	**27,895,817**	27,043,308
— unsecured (note (f))	**8,036,979**	8,927,955
Other borrowings		
— secured (note (e))	**7,686,478**	8,153,706
— unsecured (note (f))	**631,019**	1,720,885
Less: current portion of non-current borrowings	**(32,648,980)**	(30,313,830)
	58,412,878	59,243,748
Borrowings included in current liabilities:		
Short-term bank borrowings		
— secured (note (e))	**1,921,690**	591,905
— unsecured (note (f))	**634,800**	2,248,359
Short-term other borrowings		
— secured (note (e))	**2,026,861**	3,129,000
— unsecured (note (f))	**2,254,292**	2,285,924
Current portion of non-current borrowings	**32,648,980**	30,313,830
	39,486,623	38,569,018
Total borrowings	**97,899,501**	97,812,766

20 Borrowings (Continued)

Notes:

(a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries were approximately RMB2,520,960,000 as at 30 June 2021 (31 December 2020: RMB2,956,918,000).

(i) 2017 Senior Notes

On 14 August 2017, the Company issued 5.125% senior notes with an aggregated nominal value of US$200,000,000 (equivalent to approximately RMB1,332,020,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$196,125,000 (equivalent to approximately RMB1,306,210,000). The 2017 Senior Notes will mature on 14 August 2022. The Company, at its option, can redeem all or a portion of the 2017 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

(ii) 2018 Senior Notes

On 18 July 2018, the Company issued 8.5% senior notes with an aggregated nominal value of US$600,000,000 (equivalent to approximately RMB4,040,064,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$593,557,000 (equivalent to approximately RMB3,997,108,000). The 2018 Senior Notes will mature on 18 July 2021. The Company, at its option, can redeem all or a portion of the 2018 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

(iii) 2019 Senior Notes

On 7 March 2019, the Company issued 6.7% senior notes with an aggregated nominal value of US$500,000,000 (equivalent to approximately RMB3,355,500,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$495,429,000 (equivalent to approximately RMB3,324,823,000). The 2019 Senior Notes will mature on 7 March 2022. The Company, at its option, can redeem all or a portion of 2019 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

(iv) 2020 Senior notes

On 3 July 2020, the Company issued 5.75% senior notes with an aggregated nominal value of US$500,000,000 (equivalent to approximately RMB3,531,900,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$497,109,000 (equivalent to approximately RMB3,511,482,000). The notes will mature in July 2025.

On 13 October 2020, the Company issued 6.05% senior notes with an aggregated nominal value of US$483,000,000 (equivalent to approximately RMB3,232,868,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$480,039,000 (equivalent to approximately RMB3,212,904,000). The notes will mature in October 2025.

The Company, at its option, can redeem all or a portion of the 2020 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

(v) 2021 Senior notes

On 17 May 2021, the Company issued 5.5% senior notes with an aggregated nominal value of US$450,000,000 (equivalent to approximately RMB2,890,050,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US$445,710,000 (equivalent to approximately RMB2,862,351,000). The notes will mature in May 2026.The Company, at its option, can redeem all or a portion of 2021 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

20 Borrowings (Continued)

Notes: (Continued)

(b) PRC Corporate Bonds

On 11 October 2016, the Company issued 4.6% corporate bonds with an aggregate amount of RMB1,800,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,787,250,000. On 11 October 2019, the Issuer redeemed the bond in an aggregate principal amount of RMB570,000,000 as the investors exercised the right to sell back. The bonds have been resold to the new investors, and the bonds will mature on 11 October 2021 at the coupon rate of 5.3%.

On 11 October 2016, the Company issued 5.7% corporate bonds with an aggregate amount of RMB1,200,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,192,500,000. The bonds will mature on 11 October 2023. The Company shall be entitled to adjust the coupon rate at the end of the fifth year whereas the investors shall be entitled to sell back in whole or in part the bonds.

On 13 July 2020, a PRC subsidiary of the Company issued 6.2% non-public corporate bonds with an aggregate amount of RMB1,500,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,495,500,000. The bonds will mature on 13 July 2022.

On 19 October 2020, a PRC subsidiary of the Company issued 6.2% non-public corporate bonds with an aggregate amount of RMB1,500,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,498,440,000. The bonds will mature on 19 October 2022.

On 9 April 2021, a PRC subsidiary of the Company issued 5.9% corporate bonds with an aggregate amount of RMB1,450,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,445,650,000. The bonds will mature on 9 April 2024.The Company shall be entitled to adjust the coupon rate at the end of the first year whereas the investors shall be entitled to sell back in whole or in part the bonds.

(c) Commercial Mortgage Backed Securities

A PRC subsidiary of the Company engaged in commercial property operation entered into Commercial Mortgage Backed Securities ("**CMBS**"), at the coupon rate of 5.85%, arrangement with an assets management company by pledging of the receivables for certain properties under its operation as well as the self-used properties, the land use rights and the investment properties. On 10 April 2018, the CMBS was formally established with an aggregate nominal value of RMB4,600,000,000, with a 18-year maturity, amongst which RMB500,000,000 was subordinate securities purchased by the PRC subsidiary as original equity holder. The net proceeds from the CMBS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB4,066,700,000. The Issuer redeemed the CMBS in an aggregate principal amount of RMB1,200,000,000 on 21 January 2021 as the investors exercised the right to sell back. The CMBS has been resold to the new investors at the coupon rate of 5.1%, and the CMBS will be mature on 21 January 2024.

(d) Asset-backed securities

A PRC subsidiary of the Company engaged in property development entered into an asset-backed securities ("**Panyu ABS**") arrangement with an assets management company by pledging of the trade receivables for certain properties under its management. On 31 October 2020, the Panyu ABS was formally established with an aggregate nominal value of RMB1,000,000,000, with a 2-year maturity amongst which RMB50,000,000 was purchased by the PRC subsidiary as original holder. The investors shall be entitled to sell back in whole or in part the ABS at the end of the second year. The net proceeds from the Panyu ABS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB948,245,000. As at 30 June 2021, there was Panyu ABS in an aggregate principal amount of RMB950,000,000 outstanding.

(e) As at 30 June 2021, the Group's borrowings were secured by certain of its cash, land use rights, self-used properties, trade receivables, completed properties held for sale, properties under development, investment properties and the shares of certain subsidiaries and equity interests of a joint venture.

(f) As at 30 June 2021, the Group's unsecured borrowings of RMB12,277,502,000 were jointly guaranteed by certain subsidiaries of the Group.

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings (Continued)

Notes: (Continued)

(g) Movements of borrowings are analysed as follows:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Opening amount as at 1 January	**97,812,766**	96,669,702
Additions	**25,458,906**	27,235,259
Addition from acquisition of subsidiaries (note 33)	**71,078**	3,449,472
Repayments	**(22,236,091)**	(28,215,624)
Derecognition due to disposal of subsidiaries	**(2,776,500)**	(995,000)
Issuance costs	**(238,539)**	(130,261)
Amortisation of issuance costs	**214,591**	186,977
Exchange (gains)/losses (note 28)	**(388,012)**	749,955
Currency translation differences	**(18,698)**	(11,709)
Closing amount as at 30 June	**97,899,501**	98,938,771

(h) The Group has the following undrawn borrowing facilities:

	30 June 2021	31 December 2020
	(unaudited)	(audited)
Floating rate		
— expiring beyond one year	**5,984,000**	4,141,000

21 Trade and other payables

	30 June 2021 (unaudited)	31 December 2020 (audited)
Trade payables (note (a))	**29,380,565**	24,819,387
Other payables due to:		
— Third parties (note (b) and note (d))	**22,020,429**	20,327,349
— Related parties (note 37(c))	**13,398,740**	12,914,816
— Non-controlling interests (note (d))	**3,928,546**	5,445,480
Staff welfare benefit payable	**884,776**	1,588,807
Accruals	**1,634,452**	1,441,036
Advances from disposal of subsidiaries	**–**	7,050,760
Other taxes payable (note (c))	**6,738,049**	5,926,507
Total trade and other payables	**77,985,557**	79,514,142
Less: other payables — non-current portion	**(4,670,829)**	(4,284,452)
Trade and other payables — current portion	**73,314,728**	75,229,690

Notes:

(a) The ageing analysis of trade payables of the Group based on invoice date as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Within 90 days	**18,637,211**	15,796,936
Over 90 days and within 180 days	**8,879,240**	7,400,392
Over 180 days and within 365 days	**1,124,104**	982,715
Over 365 days	**740,010**	639,344
	29,380,565	24,819,387

(b) The other payables to third parties mainly include: (i) the deposits received from third parties for potential equity cooperation in certain property development projects; and (ii) quality guarantee and bidding deposit from constructors. The deposits are unsecured and repayable according to terms and conditions mutually agreed with the counter parties.

(c) Amount included RMB3,426,731,000 represented value added tax payable of advanced proceeds received from customers (2020: RMB3,874,957,000).

(d) Amounts included current cash advances of approximately RMB3,051,645,000 with interest bearing among 7% to 19% per annum and the non-current cash advances of approximately RMB1,602,573,000 with interest bearing among 8% to 10% per annum.

22 Financial liabilities at fair value through profit or loss

As at 30 June 2021 and 31 December 2020, the Group had the following financial liabilities at fair value through profit or loss:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Non-current portion:		
— Put options	**6,611**	75,233
— Derivative financial instruments	**–**	26,002
	6,611	101,235
Current portion:		
— Put options	**93,434**	19,542
— Derivative financial instruments	**353,675**	984,881
	447,109	1,004,423

The notional principal amounts of the outstanding forward foreign exchange contracts as at 30 June 2021 were US$800,000,000, equivalent to RMB5,169,680,000 in total (31 December 2020: US$2,400,000,000, equivalent to RMB15,659,760,000 in total).

For the six months ended 30 June 2021, losses derived from changes in fair value of derivative financial instruments of RMB98,351,000 (for six months ended 30 June 2020: gains of RMB396,894,000) have been recorded in "finance costs, net" in the interim consolidated income statement (note 28).

23 Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Contract liabilities		
— Related parties (note 37(c))	**413,597**	314,942
— Third parties	**41,916,066**	36,066,412
	42,329,663	36,381,354

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

	As at 1 January 2021	As at 1 January 2020
Revenue recognised that was included at the beginning of the period		
Sales of properties	**21,755,124**	19,886,345
Property management and value-added services	**460,419**	394,153
	22,215,543	20,280,498

(ii) Unsatisfied performance obligations

The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities at of 30 June 2021 and 31 December 2020.

(All amounts in RMB thousands unless otherwise stated)

24 Other gains, net

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Gains from disposal of subsidiaries (note 32)	**4,137,174**	1,812,304
Remeasurement gains resulting from joint ventures transferred to subsidiaries (note 8)	**–**	825,314
Gains on disposal of financial assets at FVPL	**56,044**	24,908
Fair value (losses)/gains on financial assets at FVPL (note 13(a))	**(419)**	53,863
Fair value gains on put option written on non-controlling interests	**1,974**	–
Fair value gains on investment properties (note 6)	**600**	12,513
Gains on disposal of property, plant and equipment and investment properties	**144**	67,306
Gains from disposal of joint ventures	**–**	40,796
Exchange gains/(losses), net (note (a))	**28,792**	(32,804)
Miscellaneous	**28,771**	27,759
	4,253,080	2,831,959

Note:

(a) Amounts mainly represent the losses or gains of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gains or losses related to borrowings which are included in the "finance costs, net" (note 28).

25 Other income

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Interest income (note (a))	**384,023**	455,827
Interest income from related parties (note 37(b))	**261,065**	184,916
Government grants	**92,193**	99,624
Miscellaneous	**50,293**	37,217
	787,574	777,584

Note:

(a) Interest income was mainly derived from bank deposit.

26 Other expenses

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Charitable donations	**46,946**	48,388
Miscellaneous	**65,752**	79,920
	112,698	128,308

27 Expenses by nature

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Cost of completed properties sold	**21,927,177**	17,893,803
Employee benefit expenses — including directors' emoluments	**3,841,455**	3,128,156
— Property management	**2,332,188**	1,600,084
— Property development	**1,130,028**	1,205,263
— Others	**379,239**	322,809
Cost of inventories consumed by environmental protection and property management services	**793,649**	352,464
Commission fee	**697,801**	363,206
Security charges	**523,632**	275,230
Cleaning expenses	**654,663**	412,130
Advertising costs	**437,265**	365,642
Amortisation (note 6 and note 7)	**342,623**	203,334
Write-down of completed properties held for sale and properties under development (note 10 and note 11)	**324,543**	306,704
Depreciation (note 6)	**286,117**	327,284
Maintenance costs	**201,951**	159,465
Consulting fees	**189,821**	156,440
Travelling and entertainment expenses	**165,165**	103,128
Utilities	**157,475**	94,280
Business taxes and other levies on sales of properties	**121,620**	162,681
Auditors' remuneration	**5,600**	5,492
Others	**241,550**	363,121
Total cost of sales, selling and marketing costs and administrative expenses	**30,912,107**	24,672,560

28 Finance costs, net

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Interest expense:		
— Bank borrowings, syndicated loans and other borrowings	**2,686,902**	2,555,520
— Senior notes	**530,835**	616,687
— PRC corporate bonds, ABS and CMBS	**338,237**	428,033
— Lease liabilities	**11,678**	12,709
Less: interest and exchange losses capitalised	**(2,038,686)**	(2,623,775)
Exchange (gains)/losses from borrowings	**(388,012)**	749,955
Changes in fair value of derivative financial instruments (note 22)	**98,351**	(396,894)
	1,239,305	1,342,235

29 Income tax expenses

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Current income tax		
— PRC corporate income tax	**2,477,503**	2,356,433
— PRC land appreciation tax	**2,094,097**	1,859,747
— PRC withholding income tax	**201,000**	200,116
Deferred income tax		
— PRC corporate income tax	**118,483**	631,307
	4,891,083	5,047,603

Income tax expenses recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six month ended to 30 June 2021 is 28.0% (six months ended to 30 June 2020: 31.2%).

29 Income tax expenses (Continued)

PRC corporate income tax

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

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

Certain subsidiaries of the Group obtained the Certificate of High-New Technical Enterprise. According to the CIT Law of the PRC, corporations which obtain the Certificate of High-New Technical Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to these companies during six months ended 30 June 2021 was 15% (six months ended 30 June 2020: 15%).

A subsidiary of the Group has enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15% during the period ended 30 June 2021. Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% in certain years (six months ended 30 June 2020: 15%).

Certain subsidiaries of the Group in the PRC providing environmental protection services and these companies enjoy the policy of "Three exemption and three half corporate income tax". Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% in certain years (six months ended 30 June 2020:15%).

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights and expenditures directly related to property development activities.

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong.

During the six months ended 30 June 2021, certain immediate holding companies of the PRC subsidiaries of the Group are qualified as Hong Kong resident enterprises and fulfil the requirements under the tax treaty arrangements between the PRC and Hong Kong. Therefore 5% withholding tax rate has been applied.

29 Income tax expenses (Continued)

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

Except for the fair value gains and the disposal gains of financial assets at fair value through profit or loss which is subject to the income tax rate of 16.5%, no other provision for Hong Kong profits tax has been made in the consolidated financial statements. The remaining profit of the Group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

30 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period less shares held for Share Award Scheme.

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Profit attributable to shareholders of the Company	**5,290,297**	5,127,482
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme (thousands)	**3,882,578**	3,882,578
Basic earnings per share (RMB per share)	**1.363**	1.321

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2021 and 30 June 2020, there was no diluted potential ordinary share. Thus diluted earnings per share equalled basic earnings per share.

31 Dividends

A final dividend in respect of 2020 of HK$0.60 per ordinary share, approximately HK$2,350,229,000 (equivalent to RMB1,963,028,000) was declared at the Annual General Meeting of the Company on 12 May 2021, of which HK$20,682,000 (equivalent to RMB17,299,000) was declared for shares held by Share Award Scheme. The final dividend has been distributed out of the Company's retained earnings.

An interim dividend in respect of the six months ended 30 June 2021 of HK$0.50 per ordinary share, approximately HK$1,958,524,000 (equivalent to RMB1,629,218,000) was declared by the Board of Directors of the Company (six months ended 30 June 2020: RMB1,750,626,000).

32 Disposal of subsidiaries

During the six months ended 30 June 2021, the Group disposed of certain equity interests in several subsidiaries (the "**Disposed Projects**") to independent third parties at considerations of RMB4,872,296,000 in total. The Group lost control over the Disposed Projects and according to the shareholders agreements, the Group is eligible to exercise joint control over the Disposed Projects together with relevant buyers. The Group accounted for the Disposed Projects as joint ventures and recorded disposal gain of RMB4,137,174,000 during the six months ended 30 June 2021. Details of the disposal transactions are as follows:

	RMB'000
Disposal considerations	
— Cash received	4,837,716
— Remaining unpaid acquisition consideration of a subsidiary disposed of	29,580
— Consideration receivable	5,000
— Fair value of remaining equity interests in the Disposed Projects (note 8)	5,269,628
	10,141,924
Less:	
— total net assets of the subsidiaries disposed of	(6,004,750)
Gains from disposal of subsidiaries	4,137,174
Cash proceeds from disposal, net of cash disposed of:	
Cash consideration received	4,837,716
Less:	
— cash and cash equivalents in the subsidiaries disposed of	(1,527,777)
— advances from disposal of the subsidiaries received in prior years	(4,687,716)
Net cash outflow on disposals	(1,377,777)

33 Business combinations

During the six months ended 30 June 2021, the Group completed several acquisitions of equity interests in certain companies, mainly included city sanitation and cleaning services companies, at consideration of RMB603,667,000 in aggregate. Goodwill of RMB443,668,000 and identifiable net assets of RMB159,999,000 were recognised. The directors of the Company consider that none of these subsidiaries acquired during the period was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date is not disclosed.

33 Business combinations (Continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Total
Total consideration	
Total cash considerations	603,667
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	205,854
Financial assets at FVPL	24,350
Financial assets at FVOCI	5,025
Property, plant and equipment	159,676
Investment properties	110,337
Other intangible assets	339,699
Right-of-use assets	7,700
Inventories	1,890
Trade and other receivables	853,968
Trade and other payables	(885,882)
Contract liabilities	(101,156)
Lease liabilities	(7,756)
Borrowings	(71,078)
Current income tax liabilities	(27,889)
Deferred income tax assets	22,301
Deferred income tax liabilities	(104,570)
Total identifiable net assets	532,469
Less: non-controlling interests	(372,470)
Identifiable net assets attributable to the Company	159,999
Goodwill (note 7)	443,668

33 Business combinations (Continued)

Net cash outflow in relation to the acquisitions during the six months ended 30 June 2021:

	Total
Net cash outflow in relation to the acquisition during six months ended 30 June 2021:	
Cash and cash equivalents in the subsidiaries acquired	205,854
Less: total cash considerations	(603,667)
Add: cash considerations payable as at 30 June 2021	184,755
Add: cash considerations paid in prior year	103,275
Cash outflow in the period	(109,783)

The acquired businesses contributed revenues of RMB476,990,000 and net profits of RMB47,952,000 to the Group for the period from the respective acquisition dates to 30 June 2021.

If the acquisitions had occurred on 1 January 2021, the Group's consolidated pro-forma revenue and net profit for six months ended 30 June 2021 would have been RMB39,075,870,000 and RMB6,486,582,000, respectively.

No contingent liability has been recognised for the business combination.

34 Financial guarantees

	30 June 2021 (unaudited)	31 December 2020 (audited)
Guarantees in respect of mortgage facilities for certain purchasers (note (a))	**47,653,484**	51,377,753
Guarantees in respect of borrowings of associates (note (b) and note 37(b))	**1,231,501**	1,108,608
Guarantees in respect of borrowings of joint ventures (note (c) and note 37(b))	**8,101,229**	5,111,404
Guarantees in respect of borrowings of third parties (note (d))	**2,189,503**	1,677,116
	59,175,717	59,274,881

34 Financial guarantees (Continued)

Notes:

(a) The Group has cooperated with certain financial institutions to arrange mortgage loan facility for its purchasers of properties and provided guarantees to secure obligations of such purchasers for repayments. As at 30 June 2021, the outstanding guarantees amounted to RMB47,653,484,000 (31 December 2020: RMB51,377,753,000). Such guarantees will be discharged upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant properties; and (ii) the satisfaction of relevant mortgage loan by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantees start from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

(b) As at 30 June 2021, several subsidiaries of the Group and associate counter parties provided certain guarantees in proportion of their shareholdings in certain associates in respect of loan facilities amounting to RMB2,563,866,000 (31 December 2020: RMB2,242,750,000). The Group's share of the guarantees amounted to RMB1,231,501,000 (31 December 2020: RMB1,108,608,000).

(c) As at 30 June 2021, several subsidiaries of the Group and joint venture counter parties provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB13,303,778,000 (31 December 2020: RMB10,389,523,000). The Group's share of the guarantees amounted to RMB8,101,229,000 (31 December 2020: RMB5,111,404,000).

(d) As at 30 June 2021, the Company provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB2,189,503,000 (31 December 2020: RMB1,677,116,000).

35 Commitments

	30 June 2021	31 December 2020
Contracted but not provided for		
— Property development activities	**29,473,630**	23,313,880
— Acquisition of land use rights	**6,078,738**	8,244,205
— Property, plant and equipment	**688,895**	829,206
	36,241,263	32,387,291

36 Future minimum rental payments receivable

The Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	30 June 2021	31 December 2020
No later than one year	**179,117**	119,813
Later than one year and not later than five years	**319,583**	315,876
Over five years	**135,205**	216,109
	633,905	651,798

37 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Full Choice Investments Limited	The ultimate holding Company of the Group
Top Coast Investment Limited	The intermediate holding Company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "**Founding Shareholders**")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note (ii)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note (ii)) 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Foshan Changzhong Real Estate Development Co., Ltd. (note (ii)) 佛山市昌重房地產開發有限公司	Associate of the Group
Foshanshi Sanshuiqu Qingmei Real Estate Co., Ltd. (note (ii)) 佛山市三水區擎美房地產有限公司	Associate of the Group
Foshan Yaxu Real Estate Development Co., Ltd. (note (ii)) 佛山雅旭房地產開發有限公司	Associate of the Group
Fuzhou Shengquan Real Estate Development Co., Ltd. (note (ii)) 福州盛全房地產開發有限公司	Associate of the Group
Xinxingxian Country Garden Real Estate Development Co., Ltd. (note (ii)) 新興縣碧桂園房地產開發有限公司	Associate of the Group
Sichuan Yacan Real Estate Development Co., Ltd. (note (ii)) 四川雅燦房地產開發有限公司	Associate of the Group
Jinzhongshi Jinhong Yubao Real Estate Development Co., Ltd. (note (ii)) 晉中市錦洪裕寶房地產開發有限責任公司	Associate of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Haimen Xinya Real Estate Development Co., Ltd. (note (ii)) 海門新雅房地產開發有限公司	Associate of the Group
Sichuan Yaheng Real Estate Development Co., Ltd. (note (ii)) 四川雅恒房地產開發有限公司	Associate of the Group
Nantongshi Tongzhouqu Dongju Land Co., Ltd. (note (ii)) 南通市通州區東居置業有限公司	Associate of the Group
Dali Meizhao Real Estate Development Co., Ltd. (note (ii)) 大理美詔房地產開發有限公司	Associate of the Group
Handan Yurong Real Estate Development Co., Ltd. (note (ii)) 邯鄲裕榮房地產開發有限公司	Associate of the Group
Wuxi Yahui Real Estate Development Co., Ltd. (note (ii)) 無錫雅輝房地產開發有限公司	Associate of the Group
Huizhou Meiteng Project Management Co., Ltd. (note (ii)) 惠州美騰項目管理有限公司	Associate of the Group
Chengdu Xueling Corporation Management Co., Ltd. (note (ii)) 成都雪領企業管理有限公司	Associate of the Group
Kunming Yaxin Real Estate Development Co., Ltd. (note (ii)) 昆明雅欣房地產開發有限公司	Associate of the Group
Guangzhou Yajing Investment Co., Ltd. (note (ii)) 廣州雅景投資有限公司	Associate of the Group
Zhejiang lvlong Eco Technology Co., Ltd. (note (ii)) 浙江綠龍生態科技有限公司	Associate of the Group
Guangzhou Yahong Real Estate Development Co., Ltd. (note (ii)) 廣州雅宏房地產開發有限公司	Associate of the Group
Guangzhou Haiya Investments Co., Ltd. (note (ii)) 廣州海雅投資有限公司	Associate of the Group
Tianjin Zhuosen Commercial Management Co., LTD. Guangzhou branch (note (ii)) 天津卓森商業管理有限公司廣州分公司	Associate of the Group
Guangzhou Zhongjian Longyuetai Real Estate Co., LTD (note (i) and note (ii)) 廣州中建瓏悅台置業有限公司	Associate of the Group
Changzhou Jingya Real Estate Development Co., Ltd. (note (ii)) 常州勁雅房地產開發有限公司	Associate of the Group
Hefei Hailun Shanzhu Land Investment Co., Ltd. (note (ii)) 合肥海倫善築置業投資有限公司	Associate of the Group
Xuzhou Dexin Xuyun Land Co., Ltd. (note (ii)) 徐州德信徐運置業有限公司	Associate of the Group
Jinzhong Jintian Heyi Real Estate Development Co., Ltd. (note (ii)) 晉中錦添合意房地產開發有限公司	Associate of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Guangzhou Lihe Real Estate Property Development Co., Ltd. (note (ii)) 廣州利合房地產開發有限公司	Joint venture of the Group
Tianjin Jinnan Xincheng Real Estate Development Co., Limited (note (ii)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. (note (ii)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group
Guangzhou Huadu Yazhan Realty Development Co., Ltd. (note (ii)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group
Changsha Shangcheng Land Co., Ltd. (note (ii)) 長沙上城置業有限公司	Joint venture of the Group
Guangxi Fuya Investments Co., Ltd. (note (ii)) 廣西富雅投資有限公司	Joint venture of the Group
Foshan Yazhan Property Development Co., Ltd. (note (ii)) 佛山雅展房地產開發有限公司	Joint venture of the Group
Zhongshan Zhili Land Co., Ltd. (note (ii)) 中山市志力置業有限公司	Joint venture of the Group
Zhongshan Minsen Real Estate Development Co., Ltd. (note (ii)) 中山市民森房地產發展有限公司	Joint venture of the Group
Hainan Yahong Travel Property Co., Ltd. (note (ii)) 海南雅宏旅遊置業有限公司	Joint venture of the Group
Zhongshan Yingxuan Real Estate Development Co., Ltd. (note (ii)) 中山市盈軒房地產開發有限公司	Joint venture of the Group
Beijing Zhonggang International Real Estate Development Co., Ltd. (note (ii)) 北京中港國際房地產開發有限公司	Joint venture of the Group
Foshan Zhongjiao Real Estate Development Co., Ltd. (note (ii)) 佛山中交房地產開發有限公司	Joint venture of the Group
Foshan Xiangsong Land Co., Ltd. (note (ii)) 佛山香頌置業有限公司	Joint venture of the Group
Hefei Changzhe Real Estate Development Co., Ltd. (note (ii)) 合肥昌哲房地產開發有限公司	Joint venture of the Group
Jinan Yajun Real Estate Development Co., Ltd. (note (ii)) 濟南雅雋房地產開發有限公司	Joint venture of the Group
Zhongshan Haide Real Estate Development Co., Ltd. (note (i) and note (ii)) 中山市海德房地產開發有限公司	Joint venture of the Group
Zhuhai Yahan Real Estate Development Co., Ltd. (note (ii)) 珠海市雅瀚房地產開發有限公司	Joint venture of the Group
Zhuhai Yahao Real Estate Development Co., Ltd. (note (ii)) 珠海市雅灝房地產開發有限公司	Joint venture of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Gongyi Agile Land Co., Ltd. (note (i) and note (ii)) 鞏義雅居樂置業有限公司	Joint venture of the Group
Weihai Yalan Investments Development Co., Ltd. (note (ii)) 威海雅藍投資開發有限公司	Joint venture of the Group
Yangzhou Yahao Business Management Co., Ltd. (note (i) and note (ii)) 揚州雅昊商務管理有限公司	Joint venture of the Group
Hainan Yihai Rongsheng Real Estate Development Co., Ltd. (note (i) and note (ii)) 海南伊海榮盛房地產開發有限公司	Joint venture of the Group
Beihai Yaguang Real Estate Development Co., Ltd. (note (ii)) 北海雅廣房地產開發有限公司	Joint venture of the Group
Beihai Yazheng Real Estate Development Co., Ltd. (note (ii)) 北海雅正房地產開發有限公司	Joint venture of the Group
Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (ii)) 惠州白鷺湖旅遊實業開發有限公司	Joint venture of the Group
Tongxiang Anyue Land Co., Ltd. (note (ii)) 桐鄉市安悅置業有限公司	Joint venture of the Group
Meixian Jinhaimao Real Estate Development Co., Ltd (note (ii)) 眉縣金海茂房地產開發有限公司	Joint venture of the Group
Xiamen Yazhan Property Development Co., Ltd. (note (ii)) 廈門雅展房地產開發有限公司	Joint venture of the Group
Huizhou Zhongyuan Enterprise Co., Ltd. (note (i) and note (ii)) 惠州市仲元實業有限公司	Joint venture of the Group
Guangzhou Baiquan Construction Engineering Co., Ltd. (note (ii)) 廣州佰全建築工程有限公司	Joint venture of the Group
Lianyungangshi Ganglong Land Co., Ltd. (note (ii)) 連雲港市港龍置業有限公司	Joint venture of the Group
Jinan Yaheng Real Estate Development Co., Ltd. (note (ii)) 濟南雅恒房地產開發有限公司	Joint venture of the Group
Xuzhou Chuanda Real Estate Development Co., Ltd. (note (ii)) 徐州川達房地產開發有限公司	Joint venture of the Group
Jiangmenshi Meishun Real Estate Development Co., Ltd. (note (ii)) 江門市美順房地產開發有限公司	Joint venture of the Group
Kaifeng Guokong Songdu Land Co., Ltd. (note (ii)) 開封國控宋都置業有限公司	Joint venture of the Group
Jiaxing Xingya Real Estate Development Co., Ltd. (note (ii)) 嘉興興雅房地產開發有限公司	Joint venture of the Group
Xuzhou Yafeng Real Estate Development Co., Ltd. (note (ii)) 徐州雅豐房地產開發有限公司	Joint venture of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Xingyang Agile City Construction Co., Ltd. (note (ii)) 滎陽雅居樂城市建設有限公司	Joint venture of the Group
Xingyang Agile Enterprise Co., Ltd. (note (ii)) 滎陽市雅居樂實業有限公司	Joint venture of the Group
Meizhou Zhongnan Yusheng Real Estate Development Co., Ltd. (note (ii)) 梅州中南昱晟房地產開發有限公司	Joint venture of the Group
Jiangxi Jianda Investment Co., Ltd. (note (ii)) 江西建大投資有限公司	Joint venture of the Group
Fujian Chuxin Eco Technology Co., Ltd. (note (ii)) 福建省儲鑫環保科技有限公司	Joint venture of the Group
Jinzhong Xiya Real Estate Development Co., Ltd. (note (ii)) 晉中熙雅房地產開發有限公司	Joint venture of the Group
Wuhu Yaxu Real Estate Development Co., Ltd. (note (ii)) 蕪湖雅旭房地產開發有限公司	Joint venture of the Group
Chenzhou Agile Real Estate Development Co., Ltd. (note (ii)) 郴州雅居樂房地產開發有限公司	Joint venture of the Group
Suzhou Meiju Real Estate Development Co., Ltd. (note (ii)) 蘇州美居房地產開發有限公司	Joint venture of the Group
Kaifeng Fenghui Land Co., Ltd. (note (ii)) 開封豐輝置業有限公司	Joint venture of the Group
Shenyang Agile Enterprise Management Consultation Co., Ltd. (note (ii)) 瀋陽雅居樂企業管理諮詢有限公司	Joint venture of the Group
Huizhou Huiyang Agile Real Estate Development Co., Ltd. (note (ii)) 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of the Group
Tianjin Ruiya Real Estate Development Co., Ltd. (note (ii)) 天津瑞雅房地產開發有限公司	Joint venture of the Group
Chongqing Huayu Yefeng Enterprise Development Co., Ltd. (note (ii)) 重慶華宇業豐實業有限公司	Joint venture of the Group
Guangzhou Hongsheng Hengju Investment Partnership Enterprises (Limited Partnership) (note (ii)) 廣州鴻晟恒鉅投資合夥企業(有限合夥)	Joint venture of the Group
Xingyang Yaheng Land Co., Ltd. (note (ii)) 滎陽市雅恒置業有限公司	Joint venture of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Henry Fischer Real Estate Co., Limited. (note (ii)) 亨利世家置業有限公司	Joint venture of the Group
Nanjing Qiya Land Co., Ltd. (note (ii)) 南京奇雅置業有限公司	Joint venture of the Group
Guangzhou Zhenmei Construction Design Co., Ltd. (note (ii)) 廣州臻美建築設計有限公司	Joint venture of the Group
Guangzhou Zhixin Engineering Cost Consultancy Co., Ltd. (note (ii)) 廣州至信工程造價諮詢有限公司	Joint venture of the Group
Ferris Mind Limited	Joint venture of the Group
Qidong Hilme Trading Co., Ltd. (note (i) and note (ii)) 啟東希爾美貿易有限公司	Joint venture of the Group
Qidong Bolme Trading Co., Ltd. (note (i) and note (ii)) 啟東博爾美貿易有限公司	Joint venture of the Group
Guangdong Xinmeiju Real Estate Development Co., Ltd. (note (i) and note (ii)) 廣東新美居房地產發展有限公司	Joint venture of the Group
Yangzhou Yayue Real Estate Development Co., Ltd. (note (i) and note (ii)) 揚州雅悅房地產開發有限公司	Joint venture of the Group
Xi'an Agile Enterprise Development Co., Ltd. (note (ii)) 西安雅居樂實業發展有限公司	Joint venture of the Group
Tianjin Yayi Real Estate Development Co., Ltd (note (i) and note (ii)) 天津雅逸房地產開發有限公司	Joint venture of the Group
Shaoxing Xiangya Real Estate Development Co., LTD (note (i) and note (ii)) 紹興祥雅房地產開發有限公司	Joint venture of the Group
Jinan Junsheng Real Estate Development Co., LTD (note (ii)) 濟南雋盛房地產開發有限公司	Joint venture of the Group
Henan Yafu Land Co., Ltd. (note (ii)) 河南雅福置業有限公司	Joint venture of the Group
Shangqiu Chuanda Real Estate Development Co., Ltd. (note (ii)) 商丘川達房地產開發有限公司	Joint venture of the Group
Shijiazhuang Qingda Real Estate Development Co. LTD (note (ii)) 石家莊青達房地產開發有限公司	Joint venture of the Group
Changzhou Jiahong Nancheng Land Development Co., Ltd (note (ii)) 常州嘉宏南城置業發展有限公司	Joint venture of the Group
Wuxi Yaxiang Real Estate Development Co., Ltd. (note (ii)) 無錫雅祥房地產開發有限公司	Joint venture of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Wuxi Yayuan Real Estate Development Co., Ltd. (note (ii)) 無錫雅遠房地產開發有限公司	Joint venture of the Group
Beihai Yagang Real Estate Development Co., Ltd. (note (ii)) 北海雅港房地產開發有限公司	Joint venture of the Group
Zhongshan Yachen Real Estate Development Operation Co., Ltd. (note (ii)) 中山市雅琛房地產開發經營有限公司	Joint venture of the Group
Huizhou Yachuang Real Estate Development Co., Ltd. (note (ii)) 惠州市雅創房地產開發有限公司	Joint venture of the Group
Guangxi Yashun Real Estate Development Co., Ltd. (note (ii)) 廣西雅順房地產開發有限公司	Joint venture of the Group
Guangxi Yakai Real Estate Development Co., Ltd. (note (ii)) 廣西雅凱房地產開發有限公司	Joint venture of the Group
Nanjing Bijie Real Estate Development Co., Ltd. (note (i) and note (ii)) 南京碧捷房地產開發有限公司	Joint venture of the Group
Xuzhou Jiale Real Estate Development Co., Ltd. (note (ii)) 徐州佳樂房地產開發有限公司	Joint venture of the Group
Qidong Yahong Real Estate Development Co., LTD (note (ii)) 啟東市雅宏房地產開發有限公司	Joint venture of the Group
Haimen Xinya Real Estate Development Co., Ltd. (note (ii)) 海門市信雅房地產開發有限公司	Joint venture of the Group
Jianyang Hexu Real Estate Development Co., Ltd. (note (i) and note (ii)) 簡陽合煦房地產開發有限公司	Joint venture of the Group
Chongqing Meinan Land Co., Ltd. (note (i) and note (ii)) 重慶美南置業有限公司	Joint venture of the Group
Zhongshan Yachen Corporation Management Co., Ltd. (note (i) and note (ii)) 中山雅辰企業管理有限公司	Joint venture of the Group
Guangzhou Quanhui Enterprise Services Co., Ltd. (note (ii)) 廣州全慧企業服務有限公司	Joint venture of the Group
Chongqing Beijia Corporation Co., Ltd. (note (i) and note (ii)) 重慶碚家企業管理有限公司	Joint venture of the Group
Nanjing Yinyan Real Estate Development Co., Ltd. (note (ii)) 南京銀雁房地產開發有限公司	Joint venture of the Group
Hangzhou Dongliang Enterprise Management Co., LTD (note (i) and note (ii)) 杭州東良企業管理有限公司	Joint venture of the Group

37 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Tianjin Hean Investment Co., LTD (note (ii)) 天津和安投資有限公司	Joint venture of the Group
Shenyang Yasong Real Estate Development Co., LTD (note (ii)) 瀋陽雅頌房地產開發有限公司	Joint venture of the Group
Gongqing-Aliving Investment Management Partnership (note (ii)) 共青城雅生活投資管理合夥企業(有限合夥)	Controlled by key management personnels of the Group
Beautiful Development Limited 錦繡前程有限公司	Controlled by a key management personnel of the Group
Atlas (China) Co., Ltd. ("**Atlas (China)**") (note (ii)) 寰圖(中國)有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Beijing) Business Development Co., Ltd (note (ii)) 寰圖(北京)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Shanghai) Business Services Co., Ltd (note (ii)) 寰圖(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Development Co., Ltd (note (ii)) 寰圖(廣州)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Xi'an) Business Services Co., Ltd (note (ii)) 寰圖(西安)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders

Notes:

(i) The additional companies represent the new investment in associates and joint ventures of the Group during the period.

(ii) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

37 Related party transactions (Continued)

(b) Transactions with related parties

(i) For the six months ended 30 June 2021 and 2020, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Office service fee charged by Atlas (China) (note a)	**87,676**	83,995
Golf facilities service fees charged by Zhongshan Changjiang Golf Course (note a)	**6,557**	6,040
Restaurant and hotel service fees charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note a)	**965**	1,154
	95,198	91,189

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Rental income from Atlas (China)	**18,170**	24,134

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Loan to related parties		
— Joint ventures	**44,442**	448,883
— Associates	**632,963**	14,700
	677,405	463,583

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Repayment of loans to related parties		
— Joint ventures	**392,377**	345,971
— Associates	**199,694**	286,866
	592,071	632,837

37 Related party transactions (Continued)

(b) Transactions with related parties (Continued)

(i) For the six months ended 30 June 2021 and 2020, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business: (Continued)

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Interest income from (note b)		
— Joint ventures	**54,932**	152,988
— Associates	**206,133**	31,928
	261,065	184,916

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Provision of construction services to		
— Joint ventures	**773,208**	547,822
— Associates	**18,649**	59,406
	791,857	607,228

Key management compensation

Key management includes executive directors and heads of major operational departments. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
— Salaries and other short-term employee benefits	**14,231**	14,293
— Retirement scheme contributions	**87**	35
	14,318	14,328

Notes:

a. Office service fee, golf facilities service fees, restaurant and hotel service fees and rental fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors, were determined with reference to the market price at the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

b. Interest income were charged in accordance with the terms of the loan contracts.

(ii) The Group provided guarantees for borrowings of certain joint ventures and associates of RMB9,332,730,000 as at 30 June 2021 (31 December 2020: RMB6,220,012,000).

37 Related party transactions (Continued)

(c) Balances with related parties

(i) As at 30 June 2021 and 31 December 2020, the Group had the following significant non-trade balances with related parties:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Receivables due from (note a)		
— Joint ventures	**17,872,573**	16,185,176
— Associates	**1,268,085**	656,384
— Other related parties	**506,913**	493,892
	19,647,571	17,335,452
Loan and interest receivables due from (note b)		
— Joint ventures	**1,079,464**	2,811,982
— Associates	**2,898,262**	2,578,279
	3,977,726	5,390,261

	30 June 2021 (unaudited)	31 December 2020 (audited)
Payables due to (note a)		
— Joint ventures	**11,115,963**	10,984,608
— Associates	**2,179,025**	1,828,029
— Other related parties	**103,752**	102,179
	13,398,740	12,914,816
Contract liabilities		
— Joint ventures	**411,236**	304,284
— Associates	**2,350**	10,648
— Zhongshan Changjiang Golf Course	**11**	10
	413,597	314,942

Notes:

a. The balances are cash advances in nature, which are unsecured and interest free.

b. The balances are loan receivables and interest from associates and joint ventures, which are unsecured and interest bearing. The effective interest rate ranges from 4.35% to 15% per annum.

38 Events after the Balance Sheet Date

(a) On 15 July 2021, the Company issued senior notes at 5.5% due 2025 with an aggregate nominal value of US$314,000,000 (equivalent to approximately RMB2,035,819,000) at face value. The net proceeds, deducting the issuance costs, of approximately US$311,000,000 (equivalent to approximately RMB2,018,530,000). The senior notes will mature on 21 April 2025.

(b) On 19 July 2021, the Company redeemed all the outstanding 2018 Senior Notes at a redemption price of US$600,000,000 (equivalent to approximately RMB3,882,540,000).

(c) On 15 July 2021, Farsail Goldman International Limited("**Farsail Goldman**"), an indirect wholly-owned subsidiary of the Company, and Shenzhen Lvjin Enterprise Management Co., Ltd.("**Shenzhen Lvjin**"), an indirect wholly-owned subsidiary of Greenland Holdings Group Company Limited, entered into a share transfer agreement, pursuant to which Farsail Goldman agreed to purchase, and Shenzhen Lvjin agreed to sell, an aggregate of 50,000,000 overseas listed shares of A-Living, the subsidiary of the company at HK$32 per share, for a total consideration of HK$1.6 billion (the "**Purchase**"). Following completion of the Purchase, the Company is interested in 771,256,750 overseas listed shares of A-Living, representing approximately 54.31% of the total issued share capital of A-Living.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"BNP PARIBAS"	BNP Paribas
"Board"	the board of directors of the Company
"BOCOM International"	BOCOM International Securities Limited
"Citigroup"	Citigroup Global Markets Limited
"Company"	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Credit Suisse"	Credit Suisse (Hong Kong) Limited
"FUTEC Financial"	FUTEC Financial Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"JV Subsidiary Guarantees"	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
"JV Subsidiary Guarantor"	each subsidiary of the Company which in the future will provide a JV Subsidiary Guarantee
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Notes"	the USD denominated senior notes to be issued by the Company
"PRC"	the People's Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
"Proposed Notes Issue"	the proposed issue of the Notes by the Company
"Purchase Agreement"	the agreement proposed to be entered into by and among the Company, the Subsidiary Guarantors, BNP PARIBAS, BOCOM International, Citigroup, Credit Suisse, FUTEC Financial and Standard Chartered Bank in relation to the Proposed Notes Issue
"Securities Act"	the United States Securities Act of 1933, as amended

"SGX-ST"	Singapore Exchange Securities Trading Limited
"Standard Chartered Bank"	Standard Chartered Bank
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary Guarantees"	the guarantees provided by the Subsidiary Guarantors in respect of the Notes
"Subsidiary Guarantors"	certain subsidiaries of the Company which guarantee the Notes
"United States"	the United States of America
"USD"	United States dollar(s), the legal currency of the United States
"%"	per cent.

By Order of the Board
Agile Group Holdings Limited
CHEUNG Lap Kei
Company Secretary

Hong Kong, 26 August 2021

As at the date of this announcement, the Board comprises twelve members, being Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.*

* *Executive Directors*
** *Non-executive Directors*
\# *Independent Non-executive Directors*