



LEADING HOLDINGS GROUP LIMITED

領地控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 6999

2021

INTERIM REPORT



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BOARD OF DIRECTORS

Executive directors

Mr. Liu Yuhui (*Chairman*)
Mr. Luo Changlin
Ms. Zeng Xurong
Ms. Hou Xiaoping

Independent non-executive directors

Ms. Jin Xu
Ms. Liang Yunxing
Mr. Fang Min

JOINT COMPANY SECRETARIES

Mr. Luo Changlin
Ms. Mak Po Man Cherie

AUTHORIZED REPRESENTATIVES

Mr. Liu Yuhui
Ms. Mak Po Man Cherie

AUDIT COMMITTEE

Ms. Liang Yunxing (*Chairperson*)
Ms. Jin Xu
Mr. Fang Min

REMUNERATION COMMITTEE

Ms. Jin Xu (*Chairperson*)
Ms. Liang Yunxing
Mr. Liu Yuhui

NOMINATION COMMITTEE

Mr. Liu Yuhui (*Chairperson*)
Ms. Jin Xu
Ms. Liang Yunxing

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

46/F, Tower A
Leading International Finance Center
No. 151, 2nd Tianfu Street
Gaoxin District
Chengdu, Sichuan Province
PRC

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

AUDITOR

Ernst & Young
Certified Public Accountants

COMPLIANCE ADVISOR

Giraffe Capital Limited

LEGAL ADVISOR AS TO HONG KONG LAW

Sidley Austin

PRINCIPAL BANKS

Agricultural Bank of China,
Chengdu Tongzilin Branch

Agricultural Bank of China,
Chengdu Zijin Branch

STOCK CODE

06999

COMPANY'S WEBSITE

<http://www.leading-group.com>

Glossary and Definition

“Acting in Concert Deed”	the acting in concert deed dated 18 February 2020 and executed by the Ultimate Controlling Shareholders, details of which are set out in the section headed “Relationship with Controlling Shareholders — Acting in Concert Deed” in the Prospectus
“Articles of Association” or “Articles”	the amended and restated articles of association of the Company, conditionally adopted on 16 November 2020 and came into effect upon Listing
“ASP”	average selling price
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	Corporate Governance Code as contained in Appendix 14 to the Listing Rules
“China” or “PRC”	the People’s Republic of China
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Leading Holdings Group Limited (領地控股集團有限公司) (formerly known as Leading China Holdings Limited (領地中國控股有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6999)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context requires otherwise, refers to Yuan Di, Fan Tai, Yue Lai, Jin Sha Jiang, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng, Shan Yuan, Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli, and a Controlling Shareholder shall mean each or any one of them
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus
“Director(s)”	the director(s) of the Company

“Fan Tai”	Fan Tai Investment Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Fu Sheng”	Fu Sheng Capital Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly-owned by Ms. Long Yiqin and is one of the Controlling Shareholders
“GFA”	gross floor area
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“independent third party”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
“Jin Sha Jiang”	Jin Sha Jiang Holding Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“Leading Group”	Leading Group Co., Ltd.* (領地集團有限公司) (formerly known as Meishan Baoma Real Estate Development Co., Ltd.* (眉山地區寶馬房地產開發有限公司) upon its incorporation), a company established in the PRC with limited liability on 19 April 1999 and an indirect wholly-owned subsidiary of the Company
“Lian Rong”	Lian Rong Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Liang Yuan Asset Management”	Liang Yuan Asset Management Co., Ltd.* (量源資產管理有限公司), a company established in the PRC with limited liability on 12 August 2011 which is owned as to 33.34% by Mr. Liu Yuhui, 33.33% by Mr. Liu Ce and 33.33% by Mr. Liu Haowei
“Ling Yue”	Ling Yue Capital Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

Glossary and Definition

“Listing Date”	10 December 2020, the date on which dealings in the Shares on the Main Board first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Liu Ce”	Mr. Liu Ce (劉策) (formerly known as Liu Huan (劉歡)), one of the Ultimate Controlling Shareholders. He is the son of Ms. Hou Sanli
“Mr. Liu Haowei”	Mr. Liu Haowei (劉浩威), the vice president of the Group and one of the Ultimate Controlling Shareholders. He is the son of Ms. Wang Tao
“Mr. Liu Shan”	Mr. Liu Shan (劉山) (formerly known as Liu Yuxian (劉玉賢)), the spouse of Ms. Wang Tao
“Mr. Liu Yuhui”	Mr. Liu Yuhui (劉玉輝), the chairman of the Board, executive Director, chief executive officer of the Company and one of the Ultimate Controlling Shareholders. He is the spouse of Ms. Long Yiqin
“Mr. Liu Yuqi”	Mr. Liu Yuqi (劉玉奇), the spouse of Ms. Hou Sanli
“Ms. Hou Sanli”	Ms. Hou Sanli (侯三利), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Ce
“Ms. Long Yiqin”	Ms. Long Yiqin (龍一勤), one of the Ultimate Controlling Shareholders. She is the spouse of Mr. Liu Yuhui
“Ms. Wang Tao”	Ms. Wang Tao (王濤), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Haowei
“Nomination Committee”	the nomination committee of the Board
“Over-allotment Option”	the option granted by the Company to allot and issue up to 37,500,000 additional Shares in connection with the global offering of the Company as disclosed in the Prospectus
“Prospectus”	the prospectus of the Company dated 26 November 2020
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	the lawful currency of the PRC

“Rong Liang Group”	Rong Liang Group Co., Ltd.* (融量集團有限公司) (formerly known as Chengdu Shouxin Investment Co., Ltd.* (成都首信投資有限公司)), a company established in the PRC with limited liability on 10 May 2006, which is owned as to approximately 33.17% by Mr. Liu Haowei, 33.16% by Mr. Liu Yuhui, 33.16% by Mr. Liu Ce, 0.17% by Ms. Wang Tao, 0.17% by Ms. Long Yiqin and 0.17% by Ms. Hou Sanli
“San Jiang Yuan”	San Jiang Yuan Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Wang Tao and is one of the Controlling Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shan Yuan”	Shan Yuan Holdings Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Hou Sanli and is one of the Controlling Shareholders
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 16 November 2020, a summary of the principal terms and conditions of which is set forth in the section headed “Statutory and General Information — D. Other Information — 1. Share Option Scheme” in Appendix V to the Prospectus
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Ultimate Controlling Shareholders”	Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli
“Yuan Di”	Yuan Di Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Yue Lai”	Yue Lai Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“%”	per cent
* <i>for identification purpose only</i>	

2021 — National Policies

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

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

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

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

Corporate Development Review of Year 2021

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

Steady Growth of Contract-based Sales

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

OUTLOOK

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

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

1. The Group will resolutely maintain its strategic determination and focus on deep penetration in core cities in Sichuan: Firmly seize the high ground in the deeply penetrated market to achieve target focus, deep strategic penetration, and solid foothold. Although the Group has a certain share of the market in some cities, it still needs to further penetrate for better performance. It's a long way to go, but we will persevere and penetrate deeply for implementation in a practical manner!
2. With equal emphasis on scale and efficiency, form a systematic organizational structure and establish comprehensive competitive capability for precise headquarter, strong regional platforms, and efficient project execution, and improve decision-making and operational benefits to finally achieve the ecological closure and long-term governance of the whole organization.
3. Based on the progress of both product and service, continue to build a strong brand influence and core competitiveness. Relying on urban development and the needs of human living, continue to innovate and make breakthroughs to help owners realize the pursuit for healthy, comfort and safety, continuously upgrade the configuration of living scenes, and improve the quality of corporate services.
4. Highlight the advantages of real estate as the main business, and synergistically empower and optimize the industrial chain. From the overall consideration of development, give play to the leading role of real estate, and promote the diversified and synergistic development of property, commercial management and hotel business to form an effect of 1+1>2.

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

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

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

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

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

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

Leading Holdings Group Limited
Mr. Liu Yuhui
Chairman

Hong Kong, 25 August 2021

Management Discussion and Analysis

Property Development

Contracted Sale

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

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

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

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

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

Note:

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

Revenue Recognized From Sales of Properties

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

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

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

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

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

Completed Properties Held for Sale

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

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

Properties under Development

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

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

Property Investment

Commercial Property Operations

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

Investment Properties

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

LAND BANK

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

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
Properties developed by the Group and its subsidiaries								
1	Chengdu Yipin Center	Chengdu	100%	Commercial/ Carpark/Others	20,534	2025/6	141,509	Within the planned red line of Chadianzi Yipintianxia Street, Jinniu District, Chengdu City, Sichuan Province
2	Chengdu Global Financial Center	Chengdu	100%	Office/Commercial/ Carpark/Ancillary	18,514	2017/7	1,388	No. 151, Tianfu Second Street, No. 750, Jitai Road, High-tech Zone, Chengdu, Sichuan Province
3	Chengdu Xishan Lantai Mansion	Chengdu	100%	Residential/Carpark/ Ancillary/Others	34,756	2021/5	38,953	No. 988, Huaxin Avenue, Baihe Town, Longquanyi District, Chengdu City, Sichuan Province
4	Chengdu Yue Center	Chengdu	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	27,400	2021/12	75,044	No. 521, East Section of Industrial Avenue, Xindu District, Chengdu City, Sichuan Province
5	Chongqing Leading Guanyun House	Chongqing	100%	Residential/Carpark/ Ancillary/Others	40,372	2021/11	86,118	No. N23/03, N District, District, Chongqing Jieshizhuan, Banan
6	Chengdu Jinxiang Lantai Mansion	Chengdu	55%	Residential/Office/ Commercial/ Carpark/Ancillary/ Others	46,473	2019/5	23,711	1-1, Jinxi Courtyard, Middle Section of Hengshan Avenue, Xipu Town, Pixian County, Chengdu City, Sichuan Province
7	Chengdu Tianfu Lantai Mansion (Xinlong)	Chengdu	99%	Residential/ Commercial/ Carpark/Ancillary/ Others	159,963	2022/3	146,299	Group 2, 5, 6, Yangliu Village and Group 2, Liuhe Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
8	Chengdu Tianfu Lantai Mansion (Jingyang)	Chengdu	100%	Residential/Carpark/ Ancillary/Others	38,967	2021/6	97,574	Group 2, 3, Yangliu Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
9	Chengdu Haina Shidai	Chengdu	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	41,822	2017/2	19,508	Zhili Road and Zhixinger Road, Chengdu City, Sichuan Province
10	Chengdu Lantai House	Chengdu	70%	Residential/Carpark/ Others	40,897	2020/10	26,718	No. 1555, Guoning West Road, Hongguang Town, Pidu District, Chengdu City, Sichuan Province
11	Chengdu Leading Tianyu	Meishan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	57,523	2022/3	186,878	Diagonally opposite to Volkswagen 4S Store, Renshou Avenue, Renshou County, Chengdu City, Sichuan Province
12	Meishan Changshoufang	Meishan	80%	Residential/ Commercial/ Carpark/Ancillary/ Others	71,770	2022/12	181,669	Binjiang Avenue, Pengshan District, Meishan City, Sichuan Province
13	Panzhuhua Leading Sunshine Flower City	Panzhuhua	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	186,791	2022/12	489,997	Ganbatang Area, Huacheng New District, Panzhuhua City, Sichuan Province
14	Xichang Yueqionghai	Xichang	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	65,968	2021/12	280,996	Beside Jianchang Water Town, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
15	Xichang Leading Lantai House	Xichang	95%	Residential/ Commercial/ Carpark/Ancillary/ Others	99,752	2019/5	33,257	Xijiao Yaoshan Village, North of Nanshan Avenue, South of Haihe Road, Xichang City, Sichuan Province
16	Xichang Leading Haiyueli	Xichang	52%	Commercial/Carpark/ Ancillary/Others	41,652	2021/5	5,950	Zhanglin Village, Wangjia Village and Lianhe Village, Gaojian Township, Xichang City, Sichuan Province
17	Xichang Lantai House Qingyun	Xichang	51%	Residential/ Commercial/ Carpark/Ancillary	16,896	2019/10	1,774	Chensuo Village, Gaojian Township, Xichang City, Sichuan Province
18	Xichang Leading Triumph International Mansion	Xichang	83%	Residential/ Commercial/ Carpark/Ancillary/ Others	33,287	2017/1	2,952	No. 599, Section 5, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
19	Xichang Leading Jinxiu Lantai Mansion	Xichang	80%	Residential/ Commercial/ Carpark/Ancillary/ Others	62,578	2022/7	239,854	Near Zhonghang East Road, West New City, Xichang, Sichuan Province
20	Urumchi Leading Lantai House	Urumchi	95%	Residential/ Commercial/ Carpark/Ancillary/ Others	103,928	2022/6	228,681	No. 616, Junggar Street, East of Suzhou Road, Urumqi, Xinjiang Uygur Autonomous Region
21	Urumchi Leading Tianyu	Urumchi	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	115,428	2022/6	311,578	South of Hongguangshan Road, Shuimogou District, Urumqi City, Xinjiang Uygur Autonomous Region
22	Korla Leading Lantai House	Korla	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	63,624	2022/11	102,312	Leading Triumph Mansion, near southwest No. 6 Shihua Avenue, No. 5 Community, Construction Area, Korla City, Bazhou, Xinjiang Uygur Autonomous Region

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
23	Korla Leading Triumph Mansion	Korla	85%	Residential/ Commercial/ Carpark/Ancillary/ Others	87,933	2021/10	104,968	Next to Peacock Park, No. 6 Shihua Avenue, Korla, Xinjiang Uygur Autonomous Region
24	Chengteh Lantai House	Chengteh	40%	Residential/ Commercial/ Carpark/Ancillary/ Others	53,279	2020/7	6,104	Yuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
25	Chengteh Lantai HouseYunshang	Chengteh	51%	Residential/ Commercial/ Ancillary/Others	85,483	2023/6	186,130	Sicaigou B, Dayuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
26	Chengteh Lantai HouseYueshan	Chengteh	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	34,981	2022/7	52,466	Yuanbao Mountain, Shuangluan District, Chengde City, Hebei Province
27	Jilin Triumph Mansion	Changchun	55%	Residential/ Commercial/ Carpark/Ancillary/ Others	132,188	2020/5	6,765	Xincheng West Street, Jingyue Development Zone, Changchun City, Jilin Province
28	Xingyang Leading Tianyu	Xingyang	70%	Residential/ Commercial/ Carpark/Ancillary/ Others	29,396	2021/12	80,193	Northwest of the intersection of Jingcheng Road and Gongye East Road, Xingyang City, Zhengzhou City, Henan Province
29	Shangqiu Leading Lantai House	Shangqiu	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	59,698	2025/12	193,849	East to Zhenxing Road, West to Planning Shangqiu Road, South to Nanjing Road, North to Xiwang Road Henan Province
30	Zhumadian Royal Lantai Mansion Phase I	Zhumadian	70%	Residential/ Commercial/ Carpark/Ancillary/ Others	182,936	2021/12	404,444	Northwest of the intersection of Tianzhongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
31	Zhumadian Royal Lantai Mansion Phase II	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	70,590	2023/6	200,882	Northeast of the intersection of Zhangtai Road and Jianshe Avenue, Zhumadian City, Henan Province
32	Zhumadian Royal Lantai Mansion Phase III	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	75,863	2025/3	208,355	Southwest of the intersection of Lizhuang Road and Chunliu Road, Zhumadian City, Henan Province
33	Zhumadian Royal Lantai Mansion Phase IV	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	168,489	2024/9	253,479	Northeast corner of the intersection of Tongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
34	Zhumadian Royal Lantai Mansion Phase V	Zhumadian	70%	Residential/ Commercial/ Carpark/Ancillary/ Others	156,270	2023/8	388,318	The southeast side of the intersection of Lizhuang Road and Chunliu Road, and the northwest side of the intersection of Zhangtai Road and Jianshe Avenue, Zhumadian City, Henan Province
35	Jingzhou Leading Lantai House	Jingzhou	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	54,070	2021/12	208,274	Northwest of the intersection of Chutian Road and Dongqiao Road, Jingbei New District, Jingzhou District, Jingzhou City, Hubei Province

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
36	Jingzhou Leading Fengming Lantai Mansion	Jingzhou	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	48,399	2022/8	188,088	No.66, Fengming Avenue, Jingzhou District, Jingzhou City, Hubei Province
37	Leshan Amazon	Leshan	100%	Residential/ Commercial/ Carpark/Ancillary	91,900	2014/10	2,482	No. 418 and No. 424, North Section of Longyou Road, Shizhong District, Leshan City, Sichuan Province
38	Leshan Haina Mansion	Leshan	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	36,200	2016/1	5,344	No.1589 Muyuan Road, Muchuan County, Leshan City, Sichuan Province
39	Leshan Lantai House	Leshan	60%	Residential/ Commercial/ Carpark/Ancillary/ Others	88,108	2021/12	145,982	East of the intersection of Sansu Road and Ruixiang Road, Qingjiang New District, Shizhong District, Leshan City, Sichuan Province
40	Leshan Tianyu	Leshan	100%	Residential/ Commercial/ Carpark/Ancillary	29,796	2020/3	11,799	Intersection of Hanlin Road and Fenghuang Road, Tongjiang District, Leshan City, Sichuan Province
41	Leshan Lanshan	Leshan	70%	Residential/ Commercial/ Carpark/Ancillary/ Others	89,630	2021/10	146,436	No. 881, Section 1, Ruixiang Road, Leshan City, Sichuan Province
42	Leshan International Mansion	Leshan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	127,204	2019/5	3,327	Taoyuan New Village, Mouzi Town, Shizhong District, Leshan City, Sichuan Province
43	Zunyi Lantai House	Zunyi	55%	Residential/ Commercial/ Carpark/Ancillary/ Others	39,759	2022/11	130,977	Intersection of Shanghai Road and Ningbo Road, Huichuan District, Zunyi City, Guizhou Province
44	Meishan Triumph International Mansion	Meishan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	256,303	2020/11	46,029	Southwest corner of the intersection of Hubin Road and Meizhou Avenue, Meishan City, Sichuan Province
45	Meishan Triumph Square	Meishan	79%	Residential/ Commercial/ Carpark/Ancillary	73,976	2015/5	5,251	Northeast of the intersection of Suyuan Road and Dongpo Avenue, Dongpo District, Meishan City, Sichuan Province
46	Meishan Huayu Phase II	Meishan	60%	Residential/ Commercial/ Carpark/Ancillary/ Others	9,102	2020/6	5,247	Southeast corner of the intersection of Suyuan Road and Chongguang Street, Meishan City, Sichuan Province
47	Meishan Triumph International Mansion Phase II	Meishan	57%	Residential/ Commercial/ Carpark/Ancillary/ Others	39,838	2019/7	6,413	Northeast of the intersection of Jiangxiang Road and Qingyihang, Dongpo District, Meishan City, Sichuan Province
48	Meishan Lantai House	Meishan	55%	Residential/ Commercial/ Carpark/Ancillary/ Others	109,814	2022/12	369,014	Northwest corner of the intersection of Fucheng Road and Shuangfeng Street, Dongpo District, Meishan City, Sichuan Province
49	Meishan Guanjiang House	Meishan	55%	Residential/ Commercial/ Carpark/Ancillary/ Others	65,695	2022/3	170,221	Southwest corner of the intersection of Binjiang Avenue and Qitong Road, Meishan City, Sichuan Province
50	Haifeng Tianyu	Shanwei	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	35,774	2022/3	133,603	Plot KJC-B07, Ecological Technology City, Haifeng County, Shanwei City, Guangdong Province
51	Huizhou Lantai House	Huizhou	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	83,840	2023/3	230,663	West of Jinquan Road, Xincheng, North Railway Station, Huicheng District, Huizhou City, Guangdong Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
52	Foshan Haina Longting	Foshan	100%	Residential/ Commercial/ Carpark/Others	36,943	2017/8	2,882	On the north side of Qinggong Road and the east side of Dayong, North and South, Chancheng District, Foshan City, Guangdong Province
53	Foshan Haina Junting	Foshan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	20,536	2017/4	656	West Guangyun Chantan Cross Road, Zhenli, Dali, Nanhai District, Guangdong Province
54	Foshan Haina Mansion	Foshan	100%	Residential/ Commercial/ Carpark/Others	46,812	2014/12	1,186	No. 5, Lishui Avenue Middle, Nanhai District, Foshan City, Guangdong Province
55	Foshan Haina Haoting	Foshan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	37,276	2016/1	1,621	No. 139, Lishui Avenue Middle, Lishui Town, Nanhai District, Foshan City, Guangdong Province
56	Foshan Haina Haoyuan	Foshan	100%	Residential/ Commercial/ Carpark/Others	21,192	2017/3	104	Jianxing Villagers Group, Ganjiao Village, Lishui Town, Nanhai District, Foshan City, Guangdong Province
57	Mianyang Tianyu	Mianyang	65%	Residential/ Commercial/ Carpark/Ancillary/ Others	26,140	2020/3	7,923	No. 2, Hongqiao Road, Chengnan New District, Mianyang City, Sichuan Province
58	Mianyang Lantai House	Mianyang	62%	Residential/ Commercial/ Carpark/Ancillary/ Others	56,060	2020/8	6,694	No. 94, Sanxing Road, Youxian District, Mianyang City, Sichuan Province
59	Nanchong Lantai House	Nanchong	82%	Residential/Carpark/ Ancillary/Others	59,774	2022/5	247,245	No. 118, Maoyuan South Road, Shunqing District, Nanchong City, Sichuan Province
60	Nanchong Tianyu	Nanchong	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	25,053	2020/11	3,131	No. 561, Jinyuling Road, Shunqing District, Nanchong City, Sichuan Province
61	Ya'an Yunjing	Ya'an	100%	Residential/ Commercial/ Carpark/Ancillary	30,184	2020/11	17,695	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
62	Ya'an Guanjiang Mansion	Ya'an	100%	Residential/ Commercial/ Carpark/Ancillary	39,149	2020/11	21,802	Qianjin Village, Daxing Town, Yucheng District, Ya'an City, Sichuan Province
63	Ya'an Tianyu	Ya'an	95%	Residential/ Commercial/ Carpark/Ancillary	18,253	2019/9	10,746	Yazhou Avenue, Yucheng District, Ya'an City, Sichuan Province
64	Ya'an Lantai House	Ya'an	95%	Residential/ Commercial/ Carpark/Ancillary	43,790	2021/2	30,298	No. 6, Ankang Road, Yucheng District, Ya'an City, Sichuan Province
65	Ya'an Lantai House Phase III 3	Ya'an	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	53,520	2022/3	180,585	Plot 2-12, Daxing District, Yucheng District, Ya'an City, Sichuan Province
66	Mianyang Guanjiang House	Mianyang	100%	Residential/ Commercial/ Carpark/Others	144,705	2023/11	581,704	Putisi Village, Ningxiang Temple Neighborhood Committee, High-tech Zone, Mianyang City, Sichuan Province
67	Mianyang Leading Dongyuan Yuecheng	Mianyang	50%	Residential/ Commercial/ Carpark/Ancillary/ Others	116,755	2023/6	472,891	C, Dengta Community, Qingyi Town, Fucheng District, Mianyang City, Sichuan Province
68	Ya'an Yuejiangting	Ya'an	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	16,674	2021/10	76,424	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
69	Xichang Tianyu	Xichang	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	26,935	2022/8	112,331	Section 1, Linhuanhai Road, Chengdongchuanxing, Xichang City, Sichuan Province

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
70	Kaili Leading Tianyu	Kaili	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	251,148	2025/5	942,161	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
71	Chengdu Xindu Yue House	Chengdu	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	310,866	2024/11	582,496	No. 600, East Section of Xueyuan, Xindu District, Chengdu City, Sichuan Province
72	Luzhou Lantai House	Luzhou	54%	Residential/ Commercial/ Carpark/Ancillary/ Others	52,767	2022/11	180,443	East side of Changjiang Primary School, Shawan District, Luzhou City, Sichuan Province
73	Chengdu Tianfu Kangcheng (Duneng)	Chengdu	91%	Residential/ Commercial/ Carpark/Ancillary	90,121	2025/3	229,601	East of Huanhu East Road, Shigao Town, Renshou County
74	Chengdu Tianfu Kangcheng (Shengyu)	Chengdu	100%	Commercial/Carpark/ Ancillary/Others	60,638	2028/6	271,425	East of Huanhu East Road, Shigao Town, Renshou County
75	Chengdu Tianfu Kangcheng (Yuandi)	Chengdu	91%	Residential/ Commercial/ Carpark/Ancillary	85,773	2022/9	356,594	East of Huanhu East Road, Shigao Town, Renshou County
76	Urumqi Jinshang Lantai Mansion	Urumchi	60%	Residential/ Commercial/ Carpark/Ancillary/ Others	25,371	2022/10	69,961	East of Liyushan Road, High-tech Zone, Urumqi City
77	Urumqi Tianjing Yunzhu	Urumchi	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	30,178	2023/12	108,083	Main Road, Changchun Middle Road, Urumqi City
78	Yibin Guanjiang House	Yibin	55%	Residential/ Commercial/ Carpark/Ancillary	132,479	2024/12	336,980	Lingang Economic and Technological Development Zone, Yibin City
79	Nanchong Jinwei Leading Yue Town	Nanchong	45%	Residential/ Commercial/ Carpark/Ancillary/ Others	90,142	2024/8	289,099	Plot 2 on the east side of Financial Avenue, North New City, Shunqing District, Nanchong City
80	Guangyuan Leading Town	Guangyuan	100%	Residential/ Commercial/ Carpark/Ancillary	290,480	2024/12	601,327	Located on the east side of Kangyang Avenue in Heishipo Forest Park and the north side of Qiaoge Road in Xuefeng Office, Lizhou District, Guangyuan City
81	Panzhihua Ruxiang Flower City	Panzhihua	51%	Commercial/Carpark/ Ancillary	10,562	2022/10	39,173	Ganbatang Area, Huacheng New District, Panzhihua City
82	Chengdu Leading Guanjiang House	Duijiangyan	100%	Residential/ Commercial/ Carpark/Ancillary/ Others	78,475	2022/11	238,073	North of Baishui East Road, East of Shangshan East Road, Duijiangyan City, Sichuan Province
83	Suining Taoli Jun	Suining	34%	Residential/ Commercial/ Carpark/Ancillary/ Others	30,808	2023/5	124,436	East of Suizhou North Road, North of Hongqiao East Street, Suining Economic Development Zone
84	Xichang Leading Guanyuan	Xichang	70%	Residential/ Commercial/ Carpark/Ancillary/ Others	90,531	2023/2	122,385	The southeast area of the downtown area of Xichang
85	Luohe Lishang Lantai Mansion	Luohe	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	106,858	2024/7	336,507	West of High-speed Railway Bridge, on the north side of Shali Industry Cluster, South of Lihe, Luohe City, Henan Province
86	Huili Xuefu No.1	Huili	32%	Residential/ Commercial/ Carpark/Ancillary/ Others	33,459	2022/11	131,083	Yingding Community of Huili No.1 Middle School

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
87	Zhangjiajie Xinsong Leading Robot Happy Town	Zhangjiajie	35%	Residential/ Commercial/ Carpark/Ancillary	77,783	2022/12	278,740	On the east side of Huatian Phase I, on the south side of Binhe Road, on the north side of Indigo Plaza, on the west side of Yingbin Road, Guanliping Office, Yongding District, Zhangjiajie City
88	Chengdu Tianfu Leading Town	Chengdu	50%	Residential/ Commercial/ Carpark/Ancillary/ Others	271,501	2023/9	766,198	(No. 18, Section 2, Shengwu Cheng Middle Road, Shuangliu District) Tianfu International Biological City, Chengdu City, Sichuan Province
89	Chengdu Leading Hexing Lifu Lantai Mansion	Pengzhou	51%	Residential/ Commercial/ Carpark/Ancillary/ Others	64,309	2023/5	167,988	Qingyang Village, Zhihe Town, Pengzhou City
90	Chengdu Huguang Heyue	Pengzhou	51%	Residential/ Commercial/ Carpark/Ancillary	41,343	2023/9	140,955	South side of Section 1, Huanhu Road, West side of Kaixuan Avenue, Zhihe Street, Pengzhou City
91	Leshan Biguiyuan Leading Tangyue Lantai	Leshan	50%	Residential/ Commercial/ Carpark/Ancillary	56,197	2023/7	187,354	South side of Tanmu South Street, Shizhong District, Leshan, Sichuan Province
92	Ya'an Feicui Garden	Ya'an	50%	Residential/ Commercial/ Carpark/Ancillary	35,652	2023/3	168,229	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
93	Mianyang Leading City	Mianyang	51%	Residential/ Commercial/ Carpark/Ancillary	532,682	2030/1	1,236,887	Longmen Town, Fucheng District, Mianyang City
94	Leshan Lanshan Yue	Leshan	100%	Residential/ Commercial/ Carpark/Ancillary	25,560	2023/9	75,753	North side of Changqing Road, west side of Ruixiang Road, Qingjiang Area, Leshan, Sichuan Province
95	Meishan Leading Jiangyue Lantai	Meishan	55%	Residential/Office/ Commercial/ Carpark/Ancillary/ Others	60,201	2024/7	187,426	East of Dongpo No. 5 Kindergarten and Wen'an East Road; south of Qitong Road; west of reserved land; north of Kegongyuan 2nd Road Meishan City, Sichuan Province,
96	Meishan Leading Yueyuan	Meishan	55%	Residential/Office/ Commercial/ Carpark/Ancillary/ Others	54,667	2024/9	129,814	North New Town Plate, near Suti Park, Meishan City, Sichuan Province
	Subtotal						<u>16,692,912</u>	
Properties developed by joint ventures and associates								
1	Chengdu Bocuilong Lake	Chengdu	49%	Residential/Carpark/ Others	29,995	2019/12	1,891	Group 6, Garden Community, Dongsheng Street, Shuangliu District, Chengdu City, Sichuan Province
2	Leshan Emei the Grand Sight	Leshan	61%	Commercial/Ancillary	50,302	2021/1	21,940	On the north side of Exiu Lake, Emeishan City, Sichuan Province
3	Xuzhou Dongchen Hua House	Xuzhou	47%	Residential/ Commercial/ Carpark/Ancillary/ Others	31,251	2021/9	52,744	Rongchuanqian Mansion, North of Laohu Mountain, Yangguang Road, Dahuangshan Town, Economic Development Zone, Xuzhou City, Jiangsu Province
4	Xuzhou Fengming Taoyuan Fengyasong	Xuzhou	47%	Residential/ Commercial/ Carpark/Ancillary	141,979	2022/6	102,232	The southern plot of Xuzhou City, Jiangsu Province is located at Taihe South Road, Jiawang District, west of Fengming Road, and north of Shanshui Avenue. The northern plot is located on the north side of Taihe Road, Jiawang District, south of Fuhong Road, and west of Fengming Road

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Completion Date	Land Bank ⁽²⁾ (sq.m.)	Address
5	Xuzhou Fengming Taoyuan	Xuzhou	47%	Residential/ Commercial/ Carpark/Ancillary/ Others	234,196	2021/6	28,111	Fengming East Road, West of Paihonggou, Yancun, South of Jiabian Road, Jiawang District, Xuzhou City, Jiangsu Province
6	Zhangjiakou Yuanjun Manting Fangyuan	Zhangjiakou	34%	Residential/ Commercial/ Carpark/Ancillary/ Others	170,592	2026/12	101,085	Shalingzi Town, Xuanhua District, Zhangjiakou City, Henan Province
7	Leshan Qingjiang Lantai Mansion	Leshan	40%	Residential/ Commercial/ Carpark/Ancillary/ Others	50,000	2020/12	7,140	No. 533 Ruihan Road, Shizhong District, No. 1065 Taibai Road, Shizhong District, Leshan City, Sichuan Province
8	Ya'an Tianlan	Ya'an	51%	Residential/ Commercial/ Carpark/Ancillary	15,530	2020/5	6,131	Chenghou Road, Yucheng District, Ya'an City, Sichuan Province
9	Ya'an Tianlu Bay	Ya'an	34%	Residential/ Commercial/ Carpark/Ancillary/ Others	70,140	2023/9	76,758	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
10	Shenzhen Tianyu Garden	Shenzhen	50%	Residential/ Commercial/ Carpark/Ancillary	20,652	2023/9	66,460	Northwest of the intersection of Pingan Road and Zhanggui Road, Guanlan Street, Longhua District, Shenzhen
11	Leshan Hengbang Shuanglin Global Center	Leshan	48%	Residential/Office/ Commercial/ Carpark/Ancillary	31,632	2021/6	26,957	The junction of Fenghuang Road and Boyang Road, Central District, Leshan City, Sichuan Province
12	Leshan Qingjiang House	Leshan	35%	Residential/ Commercial/ Carpark/Ancillary	113,204	2023/10	160,350	Intersection of Fengzhou Road and Zhile Road, Qingjiang District, Leshan City, Sichuan
13	Jiangyou Shidaizhiguang	Jiangyou	35%	Residential/ Commercial/ Carpark/Ancillary/ Others	94,359	2022/11	116,475	Libai Avenue, Jiangyou City, Mianyang City, Sichuan Province
14	Xichang Nanshan House	Xichang	20%	Residential/ Commercial/ Carpark/Ancillary/ Others	66,322	2022/12	37,242	Zhangjiatun Village, Xijiao Township, Xichang City, Sichuan Province
15	Emei Lotus Lake	Leshan	40%	Residential/ Commercial/ Carpark/Ancillary/ Others	247,377	2025/11	167,830	Penggui Village, Guihuaqiao Town, Shili Village, Shengli Town, Emeishan City, Sichuan Province
16	Nantong Longteng Hua House	Nantong	3%	Residential/ Commercial/ Carpark/Ancillary/ Others	125,950	2024/11	8,268	North of Dongxinghu Avenue, Longteng Road, Nantong City, Jiangsu Province
17	Tianjing District No.1	Nanchong	33%	Residential/Carpark/ Ancillary	51,155	2023/7	50,119	Yan'er's Nest Area, Shunqing District, Nanchong, Sichuan Province
18	Tianjing District No.2	Nanchong	33%	Residential/ Commercial/ Carpark/Ancillary/ Others	45,567	2024/10	35,617	No. 2021-b-9 Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province,
	Subtotal						1,067,350	
	Total						17,760,262	

Note:

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

FINANCIAL REVIEW

Revenue

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

Revenue of the Group decreased by 2.9% from approximately RMB4,438.65 million for the six months ended 30 June 2021 to approximately RMB4,311.91 million for the six months ended 30 June 2020, primarily due to the decrease in the revenue from sale of properties. The following table sets forth the details of the Group's total revenue by business line for the periods indicated:

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

Sale of Properties

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

Commercial Property Operations

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

Hotel Operations

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

Project Management

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

COST OF SALES

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

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

GROSS PROFIT AND GROSS PROFIT MARGIN

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

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

OTHER INCOME

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

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

SELLING AND MARKETING EXPENSES

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

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

ADMINISTRATIVE EXPENSES

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

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

FAIR VALUE GAINS/LOSSES ON INVESTMENT PROPERTIES

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

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

FINANCE COSTS

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

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

SHARE OF PROFITS AND LOSSES OF JOINT VENTURES AND ASSOCIATES

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

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

INCOME TAX EXPENSE

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

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

PROFIT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

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

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

CASH POSITION

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

INDEBTEDNESS

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

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

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

Note:

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

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

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

GEARING RATIO

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

CREDIT RISK

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

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

FOREIGN EXCHANGE RISKS

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

INTEREST RATE RISK

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

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

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

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

Note:

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

COMMITMENT

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

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

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

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

EMPLOYEE AND REMUNERATION POLICY

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

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

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has adopted the code provisions stated in the CG Code. Except for the deviation from code provision A.2.1 of the CG Code, the Company's corporate governance practices have complied with the code on corporate governance practices. Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu Yuhui is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Liu Yuhui is the founder of the Group and has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Liu Yuhui taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2021.

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

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There are no changes in the directors' information required to be disclosed pursuant to 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules from the date of last annual report to the date of this interim report.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme. The purpose of the Share Option Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the Group's employees, Directors and other selected participants for their contributions to the Group. For details of the Share Option Scheme, please refer to the section headed "Appendix V — Statutory and General Information — D. Other Information — 1. Share Option Scheme" in the Prospectus.

Since the date of the adoption of the Share Option Scheme and up to the end of the Period, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(i) interests in shares or underlying shares of the Company

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Liu Yuhui ⁽³⁾ (4)	Interest in controlled corporations	742,500,000 (L)	72.30%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2021.
- (3) 209,088,000 and 37,125,000 Shares are held by Yue Lai and Jin Sha Jiang, respectively. Yue Lai and Jin Sha Jiang are wholly owned by Mr. Liu Yuhui. By virtue of SFO, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yue Lai and Jin Sha Jiang.
- (4) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Asset Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies (being Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan) are all deemed to be interested in the total Shares directly held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan. Therefore, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan for the purpose of Part XV of the SFO.

(ii) interests in shares or underlying shares of the Company's associated corporations (long position)

Name of Director	Name of associated corporation	Nature of Interest	Number of Shares	Percentage of shareholding interest
Mr. Liu Yuhui	Jin Sha Jiang	Beneficial owner	1	100.00%
	Yue Lai	Beneficial owner	1	100.00%

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2021, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest/Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Mr. Liu Ce ⁽³⁾⁽⁴⁾	Interest in controlled corporation	742,500,000 (L)	72.30%
Yuan Di ⁽³⁾⁽⁴⁾	Beneficial owner	209,088,000 (L)	20.36%
Mr. Liu Haoweij ⁽³⁾⁽⁵⁾	Interest in controlled corporation	742,500,000 (L)	72.30%
Ling Yue ⁽³⁾⁽⁵⁾	Beneficial owner	209,162,250 (L)	20.37%
Ms. Wang Tao ⁽³⁾⁽⁶⁾	Interest in controlled corporation	742,500,000 (L)	72.30%
Ms. Long Yiqin ⁽³⁾⁽⁷⁾	Interest in controlled corporation	742,500,000 (L)	72.30%
Ms. Hou Sanli ⁽³⁾⁽⁸⁾	Interest in controlled corporation	742,500,000 (L)	72.30%
Ms. Lan Tian ⁽⁹⁾	Interest of spouse	742,500,000 (L)	72.30%

Name of Shareholder	Nature of interest/Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Mr. Liu Yuqi ⁽¹⁰⁾	Interest of spouse	742,500,000 (L)	72.30%
Mr. Liu Shan ⁽¹¹⁾	Interest of spouse	742,500,000 (L)	72.30%
Ms. Chen Ao Ao ⁽¹²⁾	Interest of spouse	742,500,000 (L)	72.30%
Yue Lai ⁽³⁾	Beneficial owner	209,088,000 (L)	20.36%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2021.
- (3) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Asset Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies (being Yuan Di, Fan Tai, Yue Lai, Jin Sha Jiang, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan) are all deemed to be interested in the total Shares directly held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan.
- (4) 209,088,000 and 37,125,000 Shares are held by Yuan Di and Fan Tai, respectively. Yuan Di and Fan Tai are wholly owned by Mr. Liu Ce. By virtue of SFO, Mr. Liu Ce is deemed to be interested in the Shares held by Yuan Di and Fan Tai.
- (5) 209,162,250 and 37,125,000 Shares are held by Ling Yue and Lian Rong, respectively. Ling Yue and Lian Rong are wholly owned by Mr. Liu Haowei. By virtue of SFO, Mr. Liu Haowei is deemed to be interested in the Shares held by Ling Yue and Lian Rong.
- (6) 1,262,250 Shares are held by San Jiang Yuan, which is in turn wholly owned by Ms. Wang Tao. By virtue of SFO, Ms. Wang Tao is deemed to be interested in the Shares held by San Jiang Yuan.
- (7) 1,262,250 Shares are held by Fu Sheng, which is in turn wholly owned by Ms. Long Yiqin. By virtue of SFO, Ms. Long Yiqin is deemed to be interested in the Shares held by Fu Sheng.
- (8) 1,262,250 Shares are held by Shan Yuan, which is in turn wholly owned by Ms. Hou Sanli. By virtue of SFO, Ms. Hou Sanli is deemed to be interested in the Shares held by Shan Yuan.
- (9) Ms. Lan Tian, the spouse of Mr. Liu Ce, is deemed to be interested in all the Shares that Mr. Liu Ce is interested in by virtue of the SFO.
- (10) Mr. Liu Yuqi, the spouse of Ms. Hou Sanli, is deemed to be interested in all the Shares that Ms. Hou Sanli is interested in by virtue of the SFO.
- (11) Mr. Liu Shan, the spouse of Ms. Wang Tao, is deemed to be interested in all the Shares that Ms. Wang Tao is interested in by virtue of the SFO.
- (12) Ms. Chen Ao Ao, the spouse of Mr. Liu Haowei, is deemed to be interested in all the Shares that Mr. Liu Haowei is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2021, no other person, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

INTERIM DIVIDEND

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

USE OF NET PROCEEDS FROM THE LISTING

On 10 December 2020, the Shares was listed on the Stock Exchange. On 6 January 2021, the Company allotted and issued 26,945,000 Shares at a subscription price of HK\$5.69 per share for a total consideration of RMB125,192,000, net of issue expenses, pursuant to the partial exercise of the Over-allotment Option in connection to the Listing.

As stated in the Prospectus and the announcement of the Company dated 4 January 2021, the Group intended to use the net proceeds from the Global Offering and the partial exercise of the Over-allotment Option as follows: (i) approximately 60%, or approximately HK\$881.64 million for financing the Group's existing projects, including construction costs of property development projects; (ii) approximately 20%, or approximately HK\$293.88 million for financing the Group's future projects, including land acquisition costs; (iii) approximately 10%, or approximately HK\$146.94 million for repayment of the Group's existing interest-bearing borrowings for the Group's project development; and (iv) approximately 10%, or approximately HK\$146.94 million for the Group's general business operations and working capital.

As at 1 January 2021, none of the net proceeds raised from the Global Offering were applied by the Company. As at 30 June 2021, approximately HK\$1,469.4 million of the net proceeds raised from the Global Offering and the partial exercise of the Over-allotment Option has been fully used by the Company. The net proceeds has been allocated and used according to the purposes set out in the Prospectus. Further details of the breakdown and description of the use of proceeds are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The following table sets forth details of the net proceeds as at 30 June 2021:

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the partial exercise of the Over- allotment Option		Actual use of net proceeds for the period from 1 January 2021 to 30 June 2021	Unutilised net proceeds as at 30 June 2021
	HK\$'million	Approximate percentage	HK\$'million	HK\$'million
Financing the Group's existing projects, including construction costs of property development projects	881.64	60%	881.64	—
Financing the Group's future projects, including land acquisition costs	293.88	20%	293.88	—
Repayment of the Group's existing interest-bearing borrowings for the Group's project development	146.94	10%	146.94	—
General business operations and working capital	146.94	10%	146.94	—
Total	1,469.4	100%	1,469.4	—

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

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

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule 8.08(1)(a) of the Listing Rules, there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities. This normally means that at least 25% of the issuer's total issued shares must at all times be held by the public.

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as at the date of this interim report, the Company has maintained a sufficient public float as required under the Listing Rules.

SUBSEQUENT EVENTS

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed and discussed the unaudited interim results for the six months ended 30 June 2021. The figures in respect of the Group's condensed consolidated statement of profit or loss, condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income and the related notes thereto for the six months ended 30 June 2021 as set out in this interim report have been agreed by the Group's auditor, Ernst & Young, Certified Public Accountants of Hong Kong ("**Ernst & Young**"), to the amounts set out in the Group's condensed consolidated financial statements for the period. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this interim report.

Independent Review Report



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To the board of directors of Leading Holdings Group Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 41 to 70, which comprises the condensed consolidated statement of financial position of Leading Holdings Group Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2021 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

25 August 2021

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
REVENUE	5	4,311,908	4,438,652
Cost of sales		(3,436,564)	(2,832,232)
GROSS PROFIT		875,344	1,606,420
Other income and gains	5	82,076	41,694
Selling and distribution expenses		(240,424)	(195,086)
Administrative expenses		(279,657)	(248,566)
Other expenses		(23,160)	(14,753)
Fair value gain/(losses) on investment properties		20,900	(28,763)
Finance costs	7	(157,251)	(157,897)
Share of profits and losses of:			
Joint ventures		117,090	(15,283)
Associates		(1,904)	15,080
PROFIT BEFORE TAX	6	393,014	1,002,846
Income tax expense	8	(267,734)	(471,092)
PROFIT FOR THE PERIOD		125,280	531,754
Attributable to:			
Owners of the parent		73,851	418,300
Non-controlling interests		51,429	113,454
		125,280	531,754
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted			
— For profit for the period		RMB0.07	RMB0.56

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

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

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

	Notes	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	216,386	221,873
Investment properties	12	4,362,300	4,551,600
Right-of-use assets		48,594	51,794
Other intangible assets		20,763	18,268
Investments in joint ventures		722,145	577,807
Investments in associates		667,905	561,101
Deferred tax assets		1,233,739	983,633
Other non-current assets		231,241	223,382
Total non-current assets		7,503,073	7,189,458
CURRENT ASSETS			
Properties under development		42,758,282	38,657,280
Completed properties held for sale		2,982,367	2,900,193
Trade receivables	13	54,574	72,860
Prepayments and other receivables		5,526,067	3,001,028
Due from related companies	21	1,261,628	1,149,913
Financial assets at fair value through profit or loss		13,890	11,026
Other current assets		956,686	598,232
Tax recoverable		647,026	568,088
Cash and bank balances	14	7,784,615	5,925,092
Total current assets		61,985,135	52,883,712
CURRENT LIABILITIES			
Trade and bills payables	15	7,106,740	6,800,412
Other payables and accruals		5,418,307	5,789,398
Interest-bearing bank and other borrowings	16	3,875,958	4,090,066
Contract liabilities		29,906,144	21,592,955
Lease liabilities		4,874	6,220
Due to related companies	21	331,682	225,595
Tax payable		1,430,972	1,358,474
Senior notes	17	954,060	—
Total current liabilities		49,028,737	39,863,120
NET CURRENT ASSETS		12,956,398	13,020,592
TOTAL ASSETS LESS CURRENT LIABILITIES		20,459,471	20,210,050

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

	<i>Notes</i>	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	16	9,793,603	10,167,291
Lease liabilities		3,684	4,824
Deferred tax liabilities		860,029	767,863
Total non-current liabilities		10,657,316	10,939,978
NET ASSETS			
EQUITY			
Equity attributable to owners of the parent			
Share capital	18	8,670	8,446
Reserves		7,440,773	7,241,954
		7,449,443	7,250,400
Non-controlling interests		2,352,712	2,019,672
Total equity		9,802,155	9,270,072

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the parent								Total equity RMB'000
	Share capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Retained profits	Total	Non-controlling interests	
	RMB'000 Note 18	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2021 (audited)	8,446	1,154,424	3,527,224	35,511	570,472	1,954,323	7,250,400	2,019,672	9,270,072
Profit for the period	—	—	—	—	—	73,851	73,851	51,429	125,280
Other comprehensive income for the period	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	—	73,851	73,851	51,429	125,280
Issue of new shares	224	127,534	—	—	—	—	127,758	—	127,758
Share issue expenses	—	(2,566)	—	—	—	—	(2,566)	—	(2,566)
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	135,785	135,785
Acquisition of subsidiaries that are not businesses	—	—	—	—	—	—	—	145,826	145,826
As at 30 June 2021 (unaudited)	8,670	1,279,392*	3,527,224*	35,511*	570,472*	2,028,174*	7,449,443	2,352,712	9,802,155

* These reserve accounts comprised the total consolidated reserves of RMB7,440,773,000 (30 June 2020: RMB5,645,519,000) in the interim condensed consolidated financial information.

	Attributable to owners of the parent								Total equity RMB'000
	Share capital	Merger reserve	Capital reserve	Statutory surplus reserve	Retained profits	Total	Non-controlling interests		
	RMB'000 Note 18	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
As 1 January 2020 (audited)	1	3,527,224	35,511	413,744	1,250,740	5,227,220	832,527	6,059,747	
Profit for the period	—	—	—	—	418,300	418,300	113,454	531,754	
Other comprehensive income for the period	—	—	—	—	—	—	—	—	
Total comprehensive income for the period	—	—	—	—	418,300	418,300	113,454	531,754	
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	54,395	54,395	
As at 30 June 2020 (unaudited)	1	3,527,224*	35,511*	413,744*	1,669,040*	5,645,520	1,000,376	6,645,896	

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June

	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		393,014	1,002,846
Adjustments for:			
Depreciation of items of property, plant and equipment	6	16,055	16,699
Depreciation of right-of-use assets		3,201	3,295
Amortisation of other intangible assets		1,604	1,093
Finance costs	7	157,251	157,897
Impairment losses written off for completed properties held for sale	6	(406)	(755)
Gain on disposal of investment properties	5	(28,654)	—
Share of profits and losses of joint ventures and associates		(115,186)	203
Changes in fair value of investment properties	12	(20,900)	28,763
Interest income	5	(28,202)	(17,057)
Increase in properties under development and completed properties held for sale		(1,235,849)	(1,466,629)
Increase in other current assets		(358,454)	(220,419)
Increase in amounts due from related companies		(57)	(5,466)
Increase in restricted cash		(278,902)	(734,152)
(Increase)/decrease in pledged deposits		(8,211)	26,012
Decrease/(increase) in trade receivables		18,287	(11,305)
Increase in prepayments and other receivables		(151,144)	(1,252,753)
Increase/(decrease) in trade and bills payables		288,535	(111,376)
Decrease in other payables and accruals		(469,553)	(87,387)
Increase in contract liabilities		7,110,768	3,693,554
Decrease in amounts due to related companies		(24,950)	(48)
Cash generated from operations		5,268,247	1,023,015
Interest received		28,202	17,057
Tax paid		(858,471)	(509,302)
Net cash flows from operating activities		4,437,978	530,770

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June

	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment		203	3
Proceeds from disposal of investment properties		238,854	8,437
Purchases of items of property, plant and equipment		(9,919)	(6,192)
Purchases of intangible assets		(4,099)	(5,989)
Acquisition of subsidiaries that are not businesses		(427,772)	(1,078,172)
Investments in joint ventures and associates		(153,708)	(20,000)
Purchases of financial assets at fair value through profit or loss		(4,200)	(20,281)
Disposals of financial assets at fair value through profit or loss		1,336	—
Advances to related companies	21	—	(1,521,977)
Repayment of advances to related companies	21	—	1,415,490
Decrease/(increase) in loans to joint ventures and associates		19,378	(450,018)
Advances to third parties		(4,438,523)	(733,835)
Repayment of advances to third parties		2,685,817	671,869
Net cash flows used in investing activities		(2,092,633)	(1,740,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		127,758	—
Share issue expenses		(2,566)	—
Principal portion of lease payments		(2,724)	(2,821)
Capital contribution by the non-controlling shareholders		135,785	54,394
Proceeds from issue of senior notes		953,329	—
New interest-bearing bank and other borrowings raised		2,676,900	6,435,609
Repayment of interest-bearing bank and other borrowings		(3,436,908)	(4,624,429)
Interest paid		(686,078)	(473,071)
Advances from related companies	21	312	26,129
Repayment of advances from related companies	21	(312)	(479,068)
Advances from third parties		393,399	681,560
Repayment of advances from third parties		(931,830)	(392,105)
Net cash flows (used in)/from financing activities		(772,935)	1,226,198
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,572,410	16,303
Cash and cash equivalents at beginning of the period		4,177,262	1,381,642
CASH AND CASH EQUIVALENTS AT END OF PERIOD		5,749,672	1,397,945

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June

<i>Notes</i>	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,784,615	3,902,000
Less: Restricted cash	1,881,877	2,371,594
Pledged deposits	153,066	132,461
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	5,749,672	1,397,945

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the six months ended 30 June 2021, the Group was involved in the following principal activities:

- Property development
- Commercial property investment and operations
- Hotel operations

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “Controlling Shareholders”).

In the opinion of the directors, the investment holding companies of the Company are Yuan Di Capital Limited, Fan Tai Investment Holding Limited, Yue Lai Investment Limited, Jin Sha Jiang Holding Limited, Ling Yue Capital Holding Limited, Lian Rong Capital Limited, San Jiang Yuan Investment Limited, Fu Sheng Capital Limited and Shan Yuan Holdings Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

2. BASIS OF PREPARATION

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Interest Rate Benchmark Reform — Phase 2

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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

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

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

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

30 June 2021

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

Six months ended 30 June 2021	Property	Commercial	Hotel	Total
	development	property	operations	
	RMB'000	investment	operations	RMB'000
	(Unaudited)	and operations	(Unaudited)	(Unaudited)
		RMB'000	RMB'000	
		(Unaudited)	(Unaudited)	
Segment revenue:				
Sales to external customers	4,234,439	51,667	25,802	4,311,908
Segment results	589,026	52,494	10,384	651,904
<i>Reconciliation:</i>				
Interest income				28,202
Finance costs				(157,251)
Corporate and other unallocated expenses				(129,841)
Profit before tax from continuing operations				393,014

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2020	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue:				
Sales to external customers	4,387,167	38,756	12,729	4,438,652
Segment results	1,253,211	(4,825)	242	1,248,628
<i>Reconciliation:</i>				
Interest income				17,057
Finance costs				(157,897)
Corporate and other unallocated expenses				(104,942)
Profit before tax from continuing operations				<u>1,002,846</u>

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

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

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

4. OPERATING SEGMENT INFORMATION (Continued)

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

5. REVENUE, OTHER INCOME AND GAINS (Continued)**Disaggregated revenue information for revenue from contracts with customers**

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

Notes to Interim Condensed Consolidated Financial Information

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6. PROFIT BEFORE TAX

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

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

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

8. INCOME TAX

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

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

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

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

9. DIVIDENDS

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

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

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

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

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

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

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment at a total cost of RMB10,771,000 (30 June 2020: RMB8,350,000) and disposed of items of property, plant and equipment with a total net carrying amount of RMB202,902 (30 June 2020: RMB3,000).

As at 30 June 2021, certain of the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB98,347,000 (31 December 2020: RMB100,998,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

12. INVESTMENT PROPERTIES

	For the six months ended	
	30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying amount at 1 January	4,551,600	4,580,800
Acquisition of a subsidiary	—	34,200
Disposal	(210,200)	(8,437)
Net gain/(loss) from a fair value adjustment	20,900	(28,763)
Carrying amount at 30 June	4,362,300	4,577,800

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 30 June 2021 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), an independent professionally qualified valuer, at RMB4,362,300,000 (30 June 2020: RMB4,577,800,000) on an open market, existing use basis.

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12. INVESTMENT PROPERTIES (Continued)

The fair value of completed investment properties is determined by the income capitalisation method by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

Investment properties included in Level 3 are all completed investment properties. During the six months ended 30 June 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (30 June 2020: nil).

As at 30 June 2021, certain of the Group's investment properties with an aggregate carrying amount of approximately RMB1,056,674,000 as at 30 June 2021 (30 June 2020: RMB1,203,501,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

13. TRADE RECEIVABLES

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

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

14. CASH AND BANK BALANCES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and bank balances	7,784,615	5,925,092
Less: Restricted cash	1,881,877	1,602,975
Pledged deposits	153,066	144,855
	<hr/>	<hr/>
Cash and cash equivalents	5,749,672	4,177,262
	<hr/>	<hr/>
Denominated in RMB	5,099,143	4,101,149
Denominated in HK\$	69	72,125
Denominated in US\$	649,859	3,359
Denominated in AUD\$	601	629
	<hr/>	<hr/>
	5,749,672	4,177,262
	<hr/>	<hr/>

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of cash in designated bank accounts for specified use. As at 30 June 2021, such restricted cash amounted to RMB1,881,877,000 (31 December 2020: RMB1,602,975,000).

As at 30 June 2021, bank deposits of RMB153,066,000 were pledged as security for purchasers' mortgage loans (31 December 2020: RMB144,855,000).

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

15. TRADE AND BILLS PAYABLES

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Less than 1 year	6,669,052	6,381,590
Over 1 year	437,688	418,822
	<hr/>	<hr/>
	7,106,740	6,800,412
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16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current		
Bank loans — secured	—	91,200
Current portion of long term bank loans — secured	1,846,944	764,477
Current portion of long term bank loans — unsecured	238,770	—
Current portion of long term other loans — secured	1,790,244	3,234,389
	3,875,958	4,090,066
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Non-current		
Bank loans — secured	5,440,425	6,530,220
Bank loans — unsecured	561,068	800,803
Other loans — secured	3,579,232	2,836,268
Other loans — unsecured	212,878	—
	9,793,603	10,167,291
	13,669,561	14,257,357
Analysed into:		
Bank and other borrowings:		
Within one year or on demand	3,875,958	4,090,066
In the second year	5,255,893	7,328,913
In the third to fifth years, inclusive	4,537,710	2,838,378
	13,669,561	14,257,357

16. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Certain of the Group's bank and other borrowings are secured by the pledges of the assets with carrying values at the end of the reporting period as follows:

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Properties under development		13,066,375	12,733,997
Investment properties	12	1,056,674	1,380,627
Completed properties held for sale		35,470	494,645
Property, plant and equipment	11	98,347	100,998
Land use right		18,531	19,021

As at 30 June 2021, certain of the Group's bank and other borrowings with an aggregate amount of RMB7,883,263,000 were secured by share charges in respect of the equity interests of certain subsidiaries of the Group (31 December 2020: RMB7,899,640,000).

17. SENIOR NOTES

	30 June 2021 (Unaudited)				31 December 2020 (Audited)			
	Principal at original currency US\$'000	Contractual interest rate (%)	Maturity	RMB'000	Principal at original currency US\$'000	Contractual interest rate (%)	Maturity	RMB'000
Senior notes due 2022 ("2022 Notes I")	150,000	12	2022.6.27	954,060	—	—	—	—
Less: Current portion				954,060				—
Non-current portion				—				—

Notes to Interim Condensed Consolidated Financial Information

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17. SENIOR NOTES (Continued)

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
The Group's senior notes were repayable as follows:		
Repayable within one year	954,060	—
Total	954,060	—

On 28 June 2021, the Company issued 2022 Notes I at a coupon rate of 12% due on 27 June 2022 with an aggregate principal amount of US\$150,000,000. The Company raised net proceeds of US\$147,572,000 (equivalent to approximate RMB953,329,000) after deduction of the underwriting discount and commissions and other expenses. The senior notes bear interest at 12% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 27 June 2022. At any time prior to maturity, the Company may redeem up to 35% of the aggregate principal amount of the senior notes at a predetermined redemption price.

The above senior notes are guaranteed by Leading Group Investment Limited, Du Neng Investment Limited, Du Neng Capital Limited and Leading Hong Kong Holdings Ltd, subsidiaries of the Company.

18. SHARE CAPITAL

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Issued and fully paid: 1,026,945,000 (2020: 1,000,000,000) ordinary shares of HK\$0.01 each (2020: HK\$0.01 each)	8,670	8,446

On 6 January 2021, the Company allotted and issued 26,945,000 ordinary shares at a subscription price of HK\$5.69 per share for a total consideration of RMB125,192,000, net of issue expenses, pursuant to the partial exercise of the over-allotment option in connection to the listing of the Company's ordinary shares on The Stock Exchange of Hong Kong Limited.

19. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the condensed consolidated financial information were as follows:

	<i>Notes</i>	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	(1)	17,063,899	11,594,320
Guarantees given to banks and other institutions in connection with facilities granted to related parties	(2)	1,362,140	1,497,640

- (1) The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, and upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within half a year to two years after the purchasers take possession of the relevant properties.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors of the Company considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore, no provision has been made in connection with the guarantees.

- (2) The Group provided guarantees to banks and other institutions in connection with borrowings made to the related companies. The directors of the Company consider that no provision is needed in respect of the guarantees since the fair value is not significant. Further details are included in note 21(2) and note 22.

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20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for:		
Property development activities	24,544,780	22,456,963
Acquisition of land use rights	521,584	—
Capital contributions for the acquisition of subsidiaries	252,268	508,195
Capital contributions to subsidiaries	1,746,850	1,233,250
Capital contributions to joint ventures	188,392	15,000
	27,253,874	24,213,408

21. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions

The following transactions were carried out with related parties during the reporting period:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Advances from related companies:		
Joint ventures	957,190	409,469
Companies controlled by the then parent company	312	20,155
Companies controlled by certain directors and/or their close family members	—	5,974
Repayment of advances from related companies:		
Joint ventures	826,154	61,898
Associate	—	20,155
Companies controlled by the then parent company	312	442,939
Companies controlled by the director of the Company	—	10,000
Companies controlled by certain directors and/or their close family members	—	5,974
Advances to related companies:		
Joint ventures	201,328	1,340,639
Associates	212,400	—
The then parent company	—	1,521,977
Repayment of advances to related companies:		
Joint ventures	302,070	545,420
The then parent company	—	1,415,490

21. RELATED PARTY TRANSACTIONS (Continued)**(1) Significant related party transactions** (Continued)

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Rental income from companies controlled by the then parent company* (Note 1)	2,386	2,031
Property sales income from companies controlled by the then parent company (Note 1)	—	2,155
Property management fees to companies controlled by the then parent company* (Note 1)	62,955	39,081
Management consulting service income from joint ventures and associates* (Note 1)	2,358	12,198
Project management fees to companies controlled by the then parent company* (Note 1)	11,068	23,065
Raw materials purchased from companies controlled by certain directors and/or their close family members* (Note 1)	808	23,428
Interest income from joint ventures and associates (Note 1)	9,491	1,363

Note 1: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

* The related party transactions above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(2) Other transactions with related parties

As at 30 June 2021, the Group has guaranteed certain of the bank and other borrowings made to its joint ventures up to RMB1,362,140,000 (31 December 2020: RMB1,497,640,000).

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21. RELATED PARTY TRANSACTIONS (Continued)**(3) Outstanding balances with related parties**

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Balances relating to non-operating activities		
Due from related companies:		
Due from associates	212,400	—
Due from joint ventures	1,021,089	1,121,830
Due from shareholders	1	1
Due to related companies:		
Due to joint ventures	253,009	121,972
Balances relating to operating activities		
Due from related companies:		
Due from joint ventures	28,020	25,880
Due from companies controlled by the then parent company	118	2,202
Due to related companies:		
Due to companies controlled by the then parent company	77,223	98,622
Due to companies controlled by certain directors and/or their close family members	1,450	5,001

Balances with the above related parties were trade related, unsecured, interest-free and had no fixed terms of repayments.

(4) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short-term employee benefits	6,619	6,347
Pension scheme contributions	346	196
Total compensation paid to key management personnel	6,965	6,543

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Financial assets				
Financial assets at FVTPL	13,890	11,026	13,890	11,026
Financial liabilities				
Interest-bearing bank and other borrowings (note 16)	13,669,561	14,257,357	13,938,682	14,538,051
Provision for financial guarantee contracts (note 19)	—	82	—	82
	13,669,561	14,257,439	13,938,682	14,538,133

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, amounts due from related companies, financial assets included in prepayments and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to related companies and senior notes approximate to their carrying amounts largely due to the short term maturities of these instruments.

For the fair values of the financial assets at fair value through profit or loss, management has estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's corporate finance team headed by the group financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the group financial controller and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the group financial controller. The valuation process and results are discussed with the board of directors twice a year for interim and annual financial reporting.

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities.

The Group invests in wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair value by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks and classified them into Level 2 financial instruments.

23. COMPARATIVE AMOUNTS

As further explained in note 3 to the interim condensed consolidated financial information, due to the Policy Change during the current period, the presentation of certain items in the consolidated statement of cash flows has been revised to comply with the new accounting policy. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current period's presentation.

24. EVENTS AFTER REPORTING PERIOD

As at the date of this report, no significant event has taken place subsequent to 30 June 2021.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 25 August 2021.