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## **Radiance Holdings (Group) Company Limited**

**金輝控股(集團)有限公司**

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

**(Stock Code: 9993)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

#### **RESULTS HIGHLIGHTS**

- Contracted sales for the six months ended 30 June 2022 amounted to approximately RMB24,370,000,000 with contracted gross floor area sold of approximately 1,650,000 square meters. The contracted average selling price amounted to approximately RMB14,752 per square meter.
- Revenue amounted to approximately RMB18,220,000,000, representing an increase of approximately 13.4% as compared to the six months ended 30 June 2021.
- Gross profit was approximately RMB3,230,000,000. Net profit was approximately RMB1,490,000,000.
- Deposits received from customers (contract liabilities) were approximately RMB67,940,000,000 as at 30 June 2022.
- Net gearing ratio was 78.5% as at 30 June 2022.
- Cash to current borrowings ratio was 1.2 as at 30 June 2022.
- Assets to liabilities ratio after excluding receipts in advance was 66.7% as at 30 June 2022.

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (“**Radiance Holdings**” or the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”) together with the comparative figures for the corresponding period in the preceding financial year as follows:

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2022*

		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>REVENUE</b>	3	<b>18,216,292</b>	16,066,445
Cost of sales		<u>(14,985,518)</u>	<u>(12,673,144)</u>
<b>GROSS PROFIT</b>		<b>3,230,774</b>	3,393,301
Finance income		<b>49,831</b>	96,961
Other income and gains	3	<b>10,853</b>	87,664
Selling and distribution expenses		<b>(502,239)</b>	(509,407)
Administrative expenses		<b>(425,242)</b>	(481,001)
Finance costs	4	<b>(180,739)</b>	(96,544)
Other expenses		<b>(174,785)</b>	(24,338)
Fair value gains on investment properties		<b>107,300</b>	501,186
Fair value losses from financial assets at fair value through profit or loss		<b>(3,440)</b>	(5,993)
Share of profits of:			
Joint ventures		<b>78,764</b>	30,309
Associates		<b>193,199</b>	191,277
<b>PROFIT BEFORE TAX</b>	5	<b>2,384,276</b>	3,183,415
Income tax expense	6	<b>(892,114)</b>	(1,171,050)
<b>PROFIT FOR THE PERIOD</b>		<b><u>1,492,162</u></b>	<b><u>2,012,365</u></b>

		<b>2022</b>	2021
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<u>—</u>	<u>—</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>1,492,162</b></u>	<u><b>2,012,365</b></u>
Attributable to:			
Owners of the parent		<u><b>1,238,508</b></u>	<u>1,825,266</u>
Non-controlling interests		<u><b>253,654</b></u>	<u>187,099</u>
		<u><b>1,492,162</b></u>	<u><b>2,012,365</b></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
– For profit for the period	8	<u><b>RMB0.31</b></u>	<u>RMB0.45</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		<b>30 June 2022</b>	31 December 2021
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>RMB'000</b>	RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>509,510</b>	518,174
Right-of-use assets		<b>762,421</b>	778,769
Investment properties		<b>14,047,100</b>	13,939,800
Intangible assets		<b>26,552</b>	18,773
Investments in joint ventures		<b>3,095,346</b>	3,068,915
Investments in associates		<b>5,587,279</b>	5,395,080
Financial assets at fair value through profit or loss		<b>105,401</b>	105,519
Deferred tax assets		<b>2,912,290</b>	2,944,990
Other non-current assets		<b>1,402,644</b>	1,402,644
Total non-current assets		<b>28,448,543</b>	28,172,664
<b>CURRENT ASSETS</b>			
Properties under development		<b>100,516,312</b>	106,108,703
Completed properties held for sale		<b>10,725,402</b>	12,246,662
Trade receivables	9	<b>50,727</b>	53,467
Contract cost assets		<b>1,081,273</b>	945,195
Due from related companies		<b>7,887,404</b>	8,639,706
Prepayments, other receivables and other assets		<b>10,064,342</b>	14,683,828
Tax recoverable		<b>1,148,388</b>	990,244
Financial assets at fair value through profit or loss		<b>22,208</b>	78,357
Cash and bank balances		<b>15,385,463</b>	19,728,486
Total current assets		<b>146,881,519</b>	163,474,648
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>11,668,247</b>	13,603,572
Other payables and accruals		<b>2,538,824</b>	2,736,127
Contract liabilities		<b>67,940,227</b>	72,460,294
Due to related companies		<b>5,916,865</b>	4,978,342
Tax payable		<b>4,841,085</b>	4,864,788
Interest-bearing bank and other borrowings		<b>9,987,587</b>	9,504,033
Proceeds from asset-backed securities within one year		<b>64,491</b>	65,705
Senior notes		<b>44,831</b>	2,650,016
Corporate bonds		<b>3,209,607</b>	4,572,592
Lease liabilities within one year		<b>12,544</b>	11,618
Dividend payable	7	<b>525,880</b>	–
Total current liabilities		<b>106,750,188</b>	115,447,087
<b>NET CURRENT ASSETS</b>		<b>40,131,331</b>	48,027,561
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>68,579,874</b>	76,200,225

	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Audited)
<i>Notes</i>	<b>RMB'000</b>	RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>21,684,638</b>	26,659,490
Proceeds from asset-backed securities	<b>5,236,821</b>	5,253,870
Senior notes	<b>2,375,146</b>	1,891,050
Corporate bonds	<b>850,000</b>	2,197,450
Lease liabilities	<b>3,898</b>	5,333
Deferred tax liabilities	<b>2,660,339</b>	2,621,327
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Total non-current liabilities	<b>32,810,842</b>	38,628,520
	<hr/>	<hr/>
<b>Net assets</b>	<b>35,769,032</b>	37,571,705
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<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>35,095</b>	35,095
Reserves	<b>24,110,160</b>	23,602,105
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	<b>24,145,255</b>	23,637,200
	<hr/>	<hr/>
Non-controlling interests	<b>11,623,777</b>	13,934,505
	<hr/>	<hr/>
<b>Total equity</b>	<b>35,769,032</b>	37,571,705
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# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As at 30 June 2022

## 1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 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 2021.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, 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 3

*Reference to the Conceptual Framework*

Amendments to IAS 16

*Property, Plant and Equipment: Proceeds before Intended Use*

Amendments to IAS 37

*Onerous Contracts – Cost of Fulfilling a Contract*

*Annual Improvements to*

*Amendments to IFRS 1, IFRS 9, Illustrative*

*IFRS Standards 2018-2020*

*Examples accompanying IFRS 16, and IAS 41*

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

- (a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
  
- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2022, the amendments did not have any impact on the financial position or performance of the Group.
  
- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) Annual Improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
- IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

## **2. OPERATING SEGMENT INFORMATION**

Management monitors the operating results of the Group's business which includes property development and sales, property leasing and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, property development and sales is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

### **Geographical information**

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no significant non-current assets of the Group are located outside Mainland China.

### **Information about major customers**

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the period.

### 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	18,019,777	15,877,265
Revenue from other sources		
Property lease income	<u>196,515</u>	<u>189,180</u>
	<u><b>18,216,292</b></u>	<u><b>16,066,445</b></u>

#### Disaggregated revenue information from contracts with customers

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Types of goods or services:</b>		
Sale of properties	18,002,629	15,794,783
Management consulting services	<u>17,148</u>	<u>82,482</u>
Total revenue from contracts with customers	<u><b>18,019,777</b></u>	<u><b>15,877,265</b></u>
<b>Timing of revenue recognition:</b>		
Properties transferred at a point in time	18,002,629	15,794,783
Services transferred over time	<u>17,148</u>	<u>82,482</u>
Total revenue from contracts with customers	<u><b>18,019,777</b></u>	<u><b>15,877,265</b></u>

An analysis of other income and gains is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other income and gains</b>		
Gain on disposal of subsidiaries	–	51,615
Gain on derecognition of fair value through profit or loss	<b>268</b>	9,024
Deposit forfeiture	<b>7,109</b>	3,977
Subsidy income	<b>2,556</b>	5,843
Exchange gain	–	16,326
Others	<b>920</b>	879
	<u>10,853</u>	<u>87,664</u>

#### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes	<b>1,456,421</b>	1,807,420
Interest on lease liabilities	<b>566</b>	1,137
Interest expense arising from revenue contracts	<b>220,229</b>	312,134
	<u>1,677,216</u>	<u>2,120,691</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<b>1,677,216</b>	2,120,691
Less: Interest capitalised	<b>(1,496,477)</b>	(2,024,147)
	<u>180,739</u>	<u>96,544</u>

## 5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold (excluding impairment losses recognised for properties held for sale)	<b>14,836,568</b>	12,554,637
Cost of services provided	<b>8,950</b>	24,745
Impairment of completed properties held for sale	<b>140,000</b>	93,762
Impairment of financial assets	<b>61,042</b>	4,073
Depreciation of items of property, plant and equipment	<b>27,127</b>	18,391
Amortisation of intangible assets	<b>1,990</b>	1,850
Depreciation of right-of-use assets	<b>23,050</b>	13,043
Rental expenses	<b>4,112</b>	2,422
Auditors' remuneration	<b>2,760</b>	2,400
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	<b>218,250</b>	370,466
Pension scheme contributions and social welfare	<b>27,507</b>	49,062

## 6. 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 and British Virgin Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for Hong Kong profits income tax as they did not have any assessable profits currently arising in Hong Kong for the six months ended 30 June 2022 and 2021.

Subsidiaries of the Group operating in Mainland China were subject to the People's Republic of China ("PRC") corporate income tax ("CIT") with a tax rate of 25% during the reporting period (2021: 25%) except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd.*	15%

\* According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2021 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang, a subsidiary of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% till 2030.

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	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Current tax:</b>		
CIT	652,389	942,431
LAT	158,855	554,748
Deferred tax	<u>80,870</u>	<u>(326,129)</u>
Total tax charge for the period	<u><u>892,114</u></u>	<u><u>1,171,050</u></u>

## 7. DIVIDENDS

A final dividend for the year ended 31 December 2021 of HK\$0.16 (equivalent to RMB0.13) per ordinary share (to be distributed out of the Company's share premium account), amounting to a total of approximately RMB525,879,510 has been proposed by the Directors and approved by the shareholders at the annual general meeting held on 20 May 2022. The above-mentioned declared dividend was not paid before 30 June 2022.

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

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,045,227,000 (six months ended 30 June 2021: 4,045,227,000) in issue during the reporting period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2022 and 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the reporting periods.

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

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b><u>1,238,508</u></b>	<b><u>1,825,266</u></b>
	<b>Number of shares</b>	
	<b>2022</b>	<b>2021</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b><u>4,045,227,000</u></b>	<b><u>4,045,227,000</u></b>

## 9. TRADE RECEIVABLES

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

	<b>30 June</b> <b>2022</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2021 <i>RMB'000</i> (Audited)
Within 1 year	27,757	40,279
1 to 3 years	20,990	9,214
Over 3 years	<u>1,980</u>	<u>3,974</u>
	<b><u>50,727</u></b>	<b><u>53,467</u></b>

## 10. TRADE PAYABLES

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

	<b>30 June</b> <b>2022</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2021 <i>RMB'000</i> (Audited)
Within 1 year	11,021,983	12,919,312
Over 1 year	<u>646,264</u>	<u>684,260</u>
	<b><u>11,668,247</u></b>	<b><u>13,603,572</u></b>

As at 30 June 2022, there were no trade payables (31 December 2021: RMB675,492,000) due to suppliers that have signed up to a supply chain financing program.

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

## **CHAIRMAN’S STATEMENT**

Dear Shareholders,

I am pleased to present to all shareholders of the Company (the “**Shareholders**”) the interim results and business review of the Group for the six months ended 30 June 2022 as well as the prospects for the second half of 2022 of the Group.

### **INTERIM RESULTS**

For the six months ended 30 June 2022, the revenue of the Group amounted to approximately RMB18.2 billion, representing a year-on-year increase of 13.4% as compared to the corresponding period last year. Gross profit amounted to approximately RMB3.3 billion. Gross profit margin was 17.7%. Net profit amounted to approximately RMB1.5 billion. Net profit margin was 8.2%, and the profit level remained stable.

### **BUSINESS REVIEW**

#### **Contract Sales**

For the six months ended 30 June 2022, the contracted sales of the Group reached approximately RMB24.4 billion with contracted gross floor area sold of approximately 1.65 million sq.m. The contracted average selling price amounted to approximately RMB14,752 per sq.m.

#### **The market is bottoming out with improving margins**

In the first half of 2022, the real estate market continued the downward trend of the second half of 2021, with sales and gross floor area sold declining on a year-on-year basis. The floor area sold of commercial properties from January to June 2022 reached 690 million sq.m., representing a year-on-year decrease of approximately 22.2%, and sales reached RMB6.6 trillion, representing a year-on-year decrease of approximately 28.9%. The market performance was affected by multiple factors, including the continued liquidity crisis of some real estate companies and the outbreak of the COVID-19 pandemic in key cities, all of which affected consumer confidence.

Confronting the continued weakening of the market environment, the relevant authorities have timely put forward the requirement to maintain the stability of the real estate market. In March 2022, the national two sessions have called for supporting the commercial housing market to better meet the reasonable housing needs of home buyers, stabilize land prices, stabilize housing prices and stabilize expectations, and promote the virtuous cycle and healthy development of the real estate market based on city-specific policies. The China Banking and Insurance Regulatory Commission (“**CBIRC**”) and the People’s Bank of China (the “**Central Bank**”) issued a circular proposing to implement a differentiated housing credit policy based on city-specific policies, and to reasonably meet the housing credit needs of new citizens who meet the requirements of the housing purchase policy and have the ability to purchase a property with relatively stable income. In April 2022, the Politburo meeting stressed the need to adhere to the positioning that houses are for living in, not for speculation, and support the development of local real estate policy based on local circumstances to improve, support rigid housing needs and home purchases aiming at a better living environment, optimize the supervision of pre-sale funds of commercial properties, and promote the stable and healthy development of the real estate market. At the same time, local governments continue to release supporting regulatory policies, aiming to boost market demand through the relaxation of purchase restrictions, sales restrictions, loan restrictions and other regulatory policies.

The real estate market showed a marginal positive situation in May and June 2022 under the influence of a variety of favorable conditions. Although the sales and gross floor area sold were still decreasing significantly year-on-year, the decline narrowed marginally and the period-on-period figures showed a large increase. The rapid and effective control of the pandemic, the relaxation of purchase restriction policies in many places according to specific circumstances, the lowering of the loan prime rate (LPR) announced by the Central Bank and the lowering of the lower interest rate of loan for first-time homebuyers, and the improvement of the financing environment for real estate enterprises and other multifaceted market stabilization measures have promoted the gradual stabilization and recovery of the market.

In July 2022, the phenomenon of property owners’ collective foreclosure appeared in many places across the country. The Politburo meeting once again emphasized the need to stabilize the real estate market and make good use of the policy toolbox based on city-specific policies to ensure the delivery of buildings and stabilize people’s livelihood, which set the direction for the real estate policy in the second half of the year 2022.

## **Steadily moving forward and strict performance of contracts**

In the face of the volatile changes in the market environment, the Group's development strategy of maintaining a sound financial structure was reinforced. In the first half of 2022, the Group reduced land premium expenses and continued to promote the reduction of financial leverage, adjust the debt structure and control the liquidity risk while maintaining the promotion of sales, capturing repayments and controlling costs, and achieved remarkable results. As at 30 June 2022, the Group's remaining indebtedness was approximately RMB43.5 billion, representing a decrease of 17.7% from approximately RMB52.8 billion as at 31 December 2021.

Moreover, the Group completed the repurchase and payment of principal and interest of several domestic and overseas bonds and notes in the first half of 2022, strictly fulfilling its repayment obligations and safeguarded the rights and interests of investors.

As at 30 June 2022, the Group's weighted average cost of debt further decreased to 6.24%, representing a decrease of 0.34 percentage point as compared to the Group's weighted average cost of debt of 6.58% as at 31 December 2021.

The Group's sound financial structure and good liquidity control have been recognized by the capital market, and the Group has been awarded credit ratings of "B+" by S&P and "B+" by Fitch, respectively.

## **ESG Management and Sustainable Development**

The Group has always been committed to corporate social responsibility. On 31 May 2022, Radiance Holdings released its Environmental, Social and Governance (ESG) Report for 2021. The Group understands that its business activities are closely related to society and therefore actively incorporates ESG elements into all aspects of corporate operation and management to reinforce and drive the Group's sustainable development and reduce the impact of its business on the environment. While striving to improve business performance and achieve steadily growth, the Group strives to optimize the management of its projects in the areas of workplace quality, environmental protection, humanity and social responsibility, and to identify the Group's major issues through its efforts to maintain communication with stakeholders and to align with global sustainability priorities. The Group's commitment to sustainable development is fulfilled through the establishment of an ESG working mechanism.

## **Move forward with perseverance and seeking perfect from outstanding**

Radiance Holdings ranked 38th in the “Top 500 Real Estate Developers in terms of Comprehensive Strength” jointly released by China Real Estate Association and Shanghai E-House China Research Institute in 2022. At the 13th Real Estate China Forum and 2021 China Real Estate Red List Ceremony, Radiance Holdings was successfully listed on the “List of Brand Influential Enterprise”. The Group’s “Lianyungang Jinhui World City” and “Wuhan Jinhui World City” won the Platinum Award and Gold Award of United States TITAN Real Estate Awards respectively.

## **Take responsibility and give back to society**

As a socially responsible enterprise, Radiance Holdings never forgets to practice its corporate social responsibility and actively participates in supporting public welfare and charitable causes such as helping the poor and the people in need, educating and helping students, public welfare donations, mitigation of disease and disaster relief.

In May 2002, the Group once again joined hands with Ma Wei Social Work Development Center in Liangshan, Sichuan Province, to carry out the second season of “Wake Up of Sleeping Toys Project” (沉睡玩具喚醒計劃) in more than ten cities, including Wuxi, Quanzhou, Shaoxing, Zhengzhou, Shijiazhuang and Hefei, continuing the previous toy donations to provide practical help and care for the children in Daliangshan Mountain and contributed to their healthy and happy growth.

In June 2002, the Group donated RMB16 million to the Education Bureau of Quanzhou Municipality to support and help the development of education in Quanzhou, in line with the corporate mission of “build properties with craftsmanship and make better homes” (用心建好房，讓家更美好).

In the future, the Group will stick to its original commitment and contribute to the promotion of various initiatives in education, science, culture, health, sports, overseas Chinese affairs and international exchange, and strive to become an important participant, promoter and contributor to the development of social charity and public welfare.

## **PROSPECTS FOR THE SECOND HALF OF 2022**

The real estate industry has faced tremendous challenges in the first half of 2022. Looking ahead to the second half of 2022, from the macroeconomic development requirements, “stable” would become the basic tone of the development of the real estate industry.

In terms of industry development, the real estate industry is still one of the pillar industries in China, with a market size of more than RMB10 trillion. In 2021, China’s urbanization rate was 64.7%, which still has great potential for improvement. With the advancement of China’s urbanization, the real estate industry still has great room for development.

In terms of financial policies, firstly, the Central Bank has requested to increase support for high-quality projects, maintain the steady and orderly placement of real estate development loans, and carry out merger and acquisition loan business in a steady and orderly manner. The financing environment for real estate companies is expected to gradually improve with the completion of open market issuance by pilot real estate companies under the “credit protection instrument” model. After the current round of large-scale deleveraging, the reasonable financing needs of real estate enterprises are protected by the policy, and the level of leverage is expected to turn stable. Secondly, with the lowering of LPR by the Central Bank and the CBIRC, as well as the lowering of the lower interest rate limit of loan for first-time homebuyers, many places have proposed various policies to relax housing credit conditions based on city-specific policies to meet the reasonable housing needs of home buyers.

In terms of regulatory policies, the purchase restriction policies are also relaxed, such as the reduction of down payment ratio, the relaxation of the rules of recognizing properties and loans, and the expansion of the implementation of the housing voucher system. The favorable policies from multiple perspectives could hedge the negative impact of the pandemic, exports, employment and consumption on the macro economy, release potential demand and stabilize the market supply and demand balance.

The current round of real estate market fluctuations has also promoted the transformation and adjustment of the industry, and product quality would become the core of future competitiveness.

The Politburo meeting has always insisted on the positioning that houses are for living in, not for speculation, and insist on not using real estate as a means of short-term economic stimulation. With the increase of urbanization rate, the continuous improvement of people’s quality of life and the growing demand for housing quality, houses are increasingly returning to their commodity nature, that is, to meet people’s living needs and improve the quality of life.

The Group has always taken the enhancement of product strength and customer satisfaction as the direction of its development. Since the release of “Jinhui Yanxuan 3.0” in July 2021 and the debut of the first “Yanxuan Workshop” in Wuxi Tianyi Mingzhu on 1 January 2022, the Group has continued to explore and improve on the quality details inside and outside the products, standardized engineering management and the realistic presentation of future living scenarios. In 2022, through the live streaming broadcast of the construction site, construction site open day and other online and offline open activities, Radiance Holdings’ property owners can “visit” the site from zero distance and show the whole process from the quality details inside and outside the building to the delivery effect.

Building good houses that customers are truly satisfied with is the foundation of the Group, and the strict demands of the Group on construction quality and details are only for the perfect presentation of the completed home.

## **APPRECIATION**

On behalf of the Board, I would like to express the most sincere appreciation to all shareholders, investors, business partners and customers for their supports to, and trust in, the Company, and to all members of the management team and all employees for their previous dedication and hard work. In the future, the Group will continue to uphold the corporate mission of “build properties with craftsmanship and make better homes” (用心建好房，讓家更美好) to further achieve high-quality and sustainable development. The Group will stick to its original commitment and move forward with perseverance for the purpose of creating higher value for the Shareholders and investors.

**Radiance Holdings (Group) Company Limited**  
**Lam Ting Keung**  
*Chairman*

## MANAGEMENT DISCUSSION AND ANALYSIS

### PERFORMANCE HIGHLIGHTS

	For the six months ended		Change in percentage
	2022	2021	
<b>Highlights of financial information</b>			
Recognised revenue ( <i>RMB'000</i> )	<b>18,216,292</b>	16,066,445	13.4%
Gross profit ( <i>RMB'000</i> )	<b>3,230,774</b>	3,393,301	-4.8%
Net profit ( <i>RMB'000</i> )	<b>1,492,162</b>	2,012,365	-25.9%
Core net profit ( <i>RMB'000</i> ) <sup>(1)</sup>	<b>1,415,134</b>	1,590,063	-11.0%
Gross profit margin (%)	<b>17.7%</b>	21.1%	
Net profit margin (%)	<b>8.2%</b>	12.5%	
Core net profit margin (%) <sup>(2)</sup>	<b>7.8%</b>	9.9%	
Earnings per Share (basic and diluted) ( <i>RMB cents</i> )	<b>31</b>	45	
	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>	<b>Change in percentage</b>
Total assets ( <i>RMB'000</i> )	<b>175,330,062</b>	191,647,312	-8.5%
Cash and bank balances ( <i>RMB'000</i> )	<b>15,385,463</b>	19,728,486	-22.0%
Total indebtedness ( <i>RMB'000</i> ) <sup>(3)</sup>	<b>43,453,121</b>	52,794,206	-17.7%
Net indebtedness ( <i>RMB'000</i> ) <sup>(4)</sup>	<b>28,067,658</b>	33,065,720	-15.1%
Equity attributable to owners of the parent company ( <i>RMB'000</i> )	<b>24,145,255</b>	23,637,200	2.1%
Current ratio ( <i>times</i> ) <sup>(5)</sup>	<b>1.4</b>	1.4	
Weighted average cost of indebtedness (%) <sup>(6)</sup>	<b>6.24%</b>	6.58%	
Net gearing ratio (%) <sup>(7)</sup>	<b>78.5%</b>	88.0%	
Cash to current borrowings ratio <sup>(8)</sup>	<b>1.2</b>	1.2	
Liability asset ratio after excluding receipts in advance (%) <sup>(9)</sup>	<b>66.7%</b>	68.5%	

*Notes:*

1. Core net profit is profit for the period excluding changes of fair value of investment properties and financial assets at fair value through profit or loss and gain on disposal of subsidiaries, net of related deferred tax.
2. Core net profit margin is core net profit divided by revenue and multiplied by 100%.
3. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes.
4. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
5. Current ratio is calculated based on the Group's total current assets divided by the Group's total current liabilities as of the respective dates.
6. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
7. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
8. Cash to current borrowings ratio is calculated by dividing cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by current borrowings (including current interest-bearing bank and other borrowings, current proceeds from asset-backed securities, current senior notes and current corporate bonds).
9. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

## CONTRACTED SALES

For the six months ended 30 June 2022, the Group realised contracted sales of approximately RMB24.37 billion with contracted gross floor area (“GFA”) sold of approximately 1,650,000 square meters. The contracted average selling price (“ASP”) amounted to approximately RMB14,752 per square meter. It was mainly attributable to the Group’s strategy of focusing on regional development, expansion of land bank and more diversified source of contracted sales.

Contracted Sales Summary for the six months ended 30 June 2022:

City	Contracted Sales Amount (RMB’000)	GFA (sq.m)	ASP (RMB/sq.m)
Quanzhou	1,943,644	184,063	10,560
Chongqing	1,731,318	125,910	13,750
Hefei	1,776,579	101,751	17,460
Fuzhou	1,265,277	41,703	30,340
Lianyungang	1,319,976	105,612	12,498
Xi’an	1,146,342	75,507	15,182
Chengdu	1,142,090	81,005	14,099
Foshan	1,054,718	64,035	16,471
Wuhan	1,039,569	85,945	12,096
Fuqing	1,003,558	51,915	19,331
Shijiazhuang	996,141	84,302	11,816
Huai’an	962,186	107,724	8,932
Beijing	901,730	16,395	55,000
Hangzhou	875,502	37,525	23,331
Suzhou	848,377	34,682	24,462
Ningbo	744,320	35,295	21,089
Yangzhou	715,740	36,006	19,878
Tianjin	685,579	55,149	12,431
Zhengzhou	534,775	35,191	15,196
Zhenjiang	423,855	36,218	11,703
Huizhou	400,155	28,753	13,917
Yancheng	388,021	33,488	11,587

<b>City</b>	<b>Contracted Sales Amount</b> <i>(RMB'000)</i>	<b>GFA</b> <i>(sq.m)</i>	<b>ASP</b> <i>(RMB/sq.m)</i>
Nanjing	372,916	19,313	19,309
Changsha	358,682	37,418	9,586
Xuzhou	317,035	17,440	18,179
Langfang	361,735	28,966	12,488
Nantong	259,595	20,281	12,800
Xiangyang	249,023	24,001	10,376
Jingzhou	216,430	23,024	9,400
Shanghai	184,634	12,339	14,964
Shenyang	150,365	11,048	13,611
	<hr/>	<hr/>	<hr/>
Total	<u>24,369,867</u>	<u>1,652,004</u>	<u>14,752</u>

*Note:*

Contracted sales includes the contracted sales of the subsidiaries, joint ventures and associates of the Group. Contracted sales data is unaudited and is prepared based on internal information of the Group. In view of the various uncertainties during the collection of such sales information, such contracted sales data is provided for investors' reference only.

## PROPERTY DEVELOPMENT AND SALES

The Group focuses on selected cities in the eight regions, namely the regions of Yangtze River Delta, the Bohai Economic Rim, Eastern China, Central China, Southwestern China, Northwestern China, Southeastern China and Shenzhen/Huizhou. The table below sets forth the Group's revenue generated from each region, total GFA delivered in each region and the respective recognised ASP per sq.m. for each region for the periods indicated:

	For the six months ended 30 June							
	2022				2021			
	Revenue		GFA	Recognized	Revenue		GFA	Recognized
	<i>RMB'000</i>	%	Delivered <i>sq.m</i>	ASP <i>RMB/sq.m</i>	<i>RMB'000</i>	%	Delivered <i>sq.m</i>	ASP <i>RMB/sq.m</i>
Southeastern China	1,967,797	10.9	208,495	9,439	1,182,428	7.5	67,197	17,596
Eastern China	1,961,665	10.9	173,658	11,296	1,708,731	10.8	159,256	10,729
Central China	1,544,797	8.6	123,624	12,496	2,788,519	17.7	253,329	11,008
Bohai Economic Rim	1,401,113	7.8	112,117	12,497	2,091,378	13.2	184,178	11,355
Northwestern China	2,686,313	14.9	213,055	12,609	2,818,532	17.9	185,234	15,216
Southwestern China	870,065	4.8	89,290	9,744	2,359,377	14.9	261,721	9,015
Yangtze River Delta	5,891,750	32.8	314,205	18,751	2,753,105	17.4	105,350	26,133
Shenzhen/Huizhou	1,679,129	9.3	93,257	18,005	92,713	0.6	7,442	12,458
Total	<u>18,002,629</u>	<u>100.0</u>	<u>1,327,701</u>	<u>13,559</u>	<u>15,794,783</u>	<u>100.0</u>	<u>1,223,707</u>	<u>12,907</u>

## INVESTMENT PROPERTIES

As at 30 June 2022, the Group had 25 investment properties with a total GFA of approximately 902,100 sq.m., and one of such investment properties was held for future development with an estimated total GFA of 69,530 sq.m..

## PROJECTS UNDER CONSTRUCTION

As at 30 June 2022, the total planned GFA of the Group's projects under construction was 18,110,450 sq.m, representing a decrease of approximately 8.2% compared to the total planned GFA of 19,719,260 sq.m as at 31 December 2021.

## LAND BANK

As of 30 June 2022, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 29,633,682 sq.m. and 23,340,522 sq.m. respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 30 June 2022:

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<b>Properties developed by the Group and its subsidiaries</b>						
<i>Southwestern China</i>						
Chongqing	Tianchen Elite's Mansion	Residential/ commercial	2022	52,683	56,711	49.0%
Chongqing	Jiangshan Elite's Mansion	Residential/ commercial	2021	69,489	267,551	57.6%
Chongqing	Zhongyang King's Garden	Residential/ commercial	2022	157,925	174,683	96.0%
Chongqing	Yujiang House	Residential/ commercial	2020	77,342	73,790	96.0%
Chongqing	Boshe	Residential/ commercial	2020	52,086	26,789	96.0%
Chongqing	Changjiang King's Garden	Residential/ commercial	2020	59,031	47,123	96.0%
Chongqing	Jinhui City Phase IV	Residential/ commercial	2018	135,452	77,567	96.0%
Chongqing	Jinhui City Phase V	Office building/ commercial	2023	9,932	71,235	96.0%
Chongqing	Binjiang Complex	Commercial	2022	12,738	18,522	96.0%
Chongqing	Jinhui Plaza	Commercial	2015	28,229	123,801	96.0%
Chongqing	Jinhui Elite's Mansion	Residential	2022	25,896	77,546	96.0%
Chongqing	Caihu Yunjing	Residential	2023	44,496	127,739	96.0%
Chongqing	Tanzikou	Residential	2023	25,006	87,556	96.0%
Chongqing	Hushan Elite's Mansion Phase I	Residential/ commercial	2023	105,693	177,949	48.0%
Chongqing	Hushan Elite's Mansion Phase II	Residential/ commercial	2024	67,358	150,713	48.0%
Chengdu	Jinhui New Block Garden	Residential/ commercial	2021	41,112	9,910	96.0%
Chengdu	Fengqi Yunjing	Residential	2023	46,094	121,416	96.0%
Subtotal of Southwestern China region					1,690,601	
Subtotal of interests in Southwestern China region					1,335,803	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Central China</i>						
Wuhan	Jinhui City	Residential/ commercial	2026	188,736	631,832	96.0%
Wuhan	Jiangyue Elite's Mansion	Residential/ commercial	2024	128,280	414,203	38.4%
Wuhan	Jiangshan Elite's Mansion	Residential/ commercial	2023	151,926	965,566	62.4%
Wuhan	New Block Lakeside	Residential/ commercial	2020	69,985	76,617	96.0%
Xiangyang	Xiangyang New Block Academy	Residential/ commercial	2025	172,060	418,690	72.0%
Changsha	Hongtao Jade Bay Phase I	Residential	2018	22,771	4,433	96.0%
Changsha	Hongtao Jade Bay Phase II	Residential/ commercial	2022	37,374	38,772	96.0%
Changsha	Xingyu Academy	Residential/ commercial	2023	105,625	405,818	96.0%
Changsha	Xingyue Yundi	Residential/ commercial	2023	115,142	293,023	96.0%
Hefei	Land parcel 06, Hefei New Station	Residential/ commercial	2023	61,928	174,118	96.0%
Hefei	New Block Academy	Residential/ commercial	2021	100,289	23,198	67.2%
Hefei	Cloudworld Garden	Residential	2020	16,262	7,634	96.0%
Hefei	Xin'an Garden	Residential/ commercial	2021	34,505	12,823	96.0%
Hefei	Xin'an Yayuan	Residential/ commercial	2023	64,532	177,111	96.0%
Hefei	Xizi Garden	Residential	2021	104,760	19,709	22.1%
Hefei	Yunman Xijing	Residential/ commercial	2024	60,128	152,107	96.0%
Subtotal of Central China region					3,815,654	
Subtotal of interests in Central China region					2,978,281	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Bohai Economic Rim</i>						
Beijing	Chaoyang Port No.1 Block	Office building	2022	73,891	174,907	96.0%
Beijing	Radiance Plaza	Office building/ commercial	2016	11,423	106,212	96.0%
Tianjin	Xueshi Garden	Residential/ commercial	2022	80,124	133,990	96.0%
Tianjin	Yunqi Garden	Residential/ commercial	2023	40,442	98,572	96.0%
Tianjin	Yunhui Garden	Residential/ commercial	2022	36,586	91,460	96.0%
Tianjin	Yunque Garden	Residential/ commercial	2022	42,078	95,408	96.0%
Tianjin	Hu'an Garden	Residential/ commercial	2021	98,930	16,667	96.0%
Tianjin	Yuncui Gardan	Residential/ commercial	2021	25,236	3,210	96.0%
Tianjin	Mingzhu Garden	Residential/ commercial	2025	81,437	219,441	96.0%
Langfang	New Block Riverside Garden	Residential/ commercial	2024	167,549	455,719	96.0%
Shijiazhuang	New Block Star	Residential/ commercial	2022	39,389	103,534	96.0%
Shijiazhuang	Jinhui Elite's Mansion	Residential/ commercial	2020	65,052	48,102	52.8%
Shijiazhuang	New Block (Pinyuan)	Residential	2020	48,378	8,948	32.6%
Shijiazhuang	West District of New Block Shangfu	Residential/ commercial	2022	52,543	135,087	96.0%
Shijiazhuang	East District of New Block Shangfu	Residential	2023	35,286	88,456	96.0%
Shijiazhuang	Kaiyuan House	Residential/ commercial	2022	54,619	31,652	96.0%
Shijiazhuang	New Block Yayuan	Residential/ commercial	2022	45,729	159,941	76.8%
Shenyang	Jiangshan Elite's Mansion	Residential/ commercial	2020	127,325	45,262	96.0%
Shenyang	Land parcel 88-1, Shenyang Yuhong New Town	Residential/ commercial	2024	55,258	150,522	96.0%
Subtotal of Bohai Economic Rim region					2,167,090	
Subtotal of interests in Bohai Economic Rim region					<u>2,023,248</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Eastern China</i>						
Huai'an	Jinhui City Phase III	Residential/ commercial	2022	108,819	137,236	97.4%
Huai'an	Jinhui City Square	Residential/ commercial/office building	2024	93,398	361,372	57.6%
Huai'an	Jinhui City Phase II	Residential/ commercial	2020	86,833	3,963	96.0%
Huai'an	Jinhui Swan Bay Phase I	Residential/ commercial	2016	66,440	11,255	96.0%
Huai'an	Jinhui Swan Bay Phase II	Residential/ commercial	2020	63,426	20,494	96.0%
Huai'an	Jinhui Four Seasons Community Phase II	Residential/ commercial	2021	72,902	44,360	96.0%
Huai'an	Jinhui Four Seasons Community Phase I	Residential/ commercial	2021	70,750	66,369	96.0%
Huai'an	New Block Garden	Residential/ commercial	2023	28,600	112,173	96.0%
Huai'an	New Block Dongjun	Residential/ commercial	2024	56,712	146,809	96.0%
Huai'an	New Block Academy	Residential/ commercial	2024	29,312	114,911	96.0%
Huai'an	New Block Academy 2	Residential/ commercial	2023	52,215	168,323	96.0%
Huai'an	New Block Academy 3	Residential	2024	56,833	183,403	96.0%
Huai'an	New Block Academy 4	Residential	2024	56,913	184,843	96.0%
Huai'an	World City Phase 5	Residential/ commercial	2025	20,136	65,538	96.0%
Huai'an	Southern Plot of City Plaza	Residential	2024	47,869	155,161	57.6%
Huai'an	Northern Plot of City Plaza	Residential	2025	46,677	151,284	57.6%
Lianyungang	Jinhui Four Seasons	Residential/ commercial	2019	223,045	96,996	96.0%
Lianyungang	Jinhui Four Seasons Guanlan	Residential	2021	49,756	26,766	96.0%
Lianyungang	Yunting Riverside	Residential	2023	97,508	166,438	96.0%
Lianyungang	Parcel LTC2020-19	Residential	2023	34,819	96,905	48.0%
Lianyungang	Yundi	Residential/ commercial	2025	165,929	516,476	96.0%

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Lianyungang	Peninsula Elite's Mansion	Residential/ commercial	2024	61,705	130,501	96.0%
Lianyungang	Elite's Mansion	Residential/ commercial	2026	93,032	267,947	96.0%
Lianyungang	Yunxie	Residential	2028	59,397	189,825	96.0%
Lianyungang	Outlets	Commercial	2025	108,623	148,258	96.0%
Yancheng	Jinhui City	Residential/ commercial	2023	76,441	113,992	96.0%
Yancheng	Jinhui New Block Garden	Residential/ commercial	2021	31,180	30,005	96.0%
Yancheng	Jinhui Tongyin Yunshang	Residential/ commercial	2023	46,650	124,993	52.8%
Yancheng	Junhefu	Residential/ commercial	2023	72,422	200,643	49.0%
Xuzhou	Xinbu Lanting	Residential/ commercial	2023	55,982	174,621	96.0%
Xuzhou	Jiangshan Yunjing Community	Residential/ commercial	1900	26,358	87,181	48.0%
Zhenjiang	Jinhui Four Seasons Guanlan	Residential/ commercial/hotel	2024	37,422	149,638	96.0%
Zhenjiang	New Block Xinyuan	Residential	2024	76,715	183,357	96.0%
Zhenjiang	Yundu Shangyuan	Residential	2022	50,041	120,807	96.0%
Yangzhou	New Block Avenue	Residential/ commercial	2023	128,052	207,150	96.0%
Yangzhou	Eden Garden	Residential/ commercial	2021	52,581	5,373	32.0%
Yangzhou	Qihu Cloud Atrium	Residential/ commercial	2023	93,813	207,657	96.0%
Yangzhou	Yuedu Cloud Atrium	Residential/ commercial	2023	43,528	96,627	47.0%
Subtotal of Eastern China region					5,269,650	
Subtotal of interests in Eastern China region					4,516,897	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Northwestern China</i>						
Xi'an	Jinghe Town	Residential/ commercial	2028	697,823	2,275,806	96.0%
Xi'an	Academy Mansion	Residential/ commercial	2021	46,649	12,050	96.0%
Xi'an	New Block Avenue	Residential/ commercial	2026	189,256	812,326	96.0%
Xi'an	Jinhui World City Upper East Side Phase I	Residential/ commercial	2018	43,653	17,086	96.0%
Xi'an	Jinhui World City Upper East Side Phase II	Residential/ commercial	2020	22,884	216	96.0%
Xi'an	Gaoxin Elite's Mansion	Residential/ commercial	2021	37,326	1,235	96.0%
Xi'an	Jinhui Chang'an Elite's Mansion	Residential/ commercial	2023	53,859	219,831	96.0%
Xi'an	Jinhui New Block Garden	Residential/ commercial	2020	39,412	2,383	96.0%
Xi'an	Jinhui East King's Garden	Residential/ commercial/hotel	2022	127,015	330,228	96.0%
Xi'an	Jinhui World City Phase A1-2	Residential/ commercial	2016	60,300	17,380	96.0%
Xi'an	Jinhui World City Phase A3	Residential/ commercial	2019	40,774	32,808	96.0%
Xi'an	Jinhui World City Phase B1-2	Residential/ commercial	2016	82,410	18,946	96.0%
Xi'an	Jinhui World City Phase B3	Residential/ commercial	2021	26,000	22,777	96.0%
Xi'an	Jinhui World City Phase C1	Residential/ commercial	2019	48,700	927	96.0%
Xi'an	Jinhui World City Phase C2	Residential/ commercial	2021	38,780	32,991	96.0%
Xi'an	Jinhui World City Block D	Residential/ commercial	2022	126,133	193,798	96.0%
Xi'an	Jinhui World City Block G	Residential/ commercial	2020	28,399	36,673	96.0%
Xi'an	Jinhui Global Plaza Phase I	Office building/ commercial	2017	14,402	83,481	96.0%
Xi'an	Jinhui Global Plaza Phase II	Office building/ commercial	2020	32,247	262,740	96.0%
Xi'an	Jinhui World City Block I/J	Residential/ commercial	2028	115,320	581,841	96.0%

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Xi'an	Jinhui Building (International Plaza)	Office building/commercial	2015	15,908	48,685	96.0%
Xi'an	Chuangzhi Building	Office building/commercial	2019	6,035	20,497	96.0%
Xi'an	Xi'an Jinhui Tianyu Baili Square	Commercial	2024	35,237	280,827	96.0%
Xi'an	Xi'an Jinhui Tianyu Fengxi Elite's Mansion	Residential/commercial	2023	38,775	179,442	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2023	48,549	167,249	96.0%
Zhengzhou	Jinhui Youbu Lanting	Residential	2024	47,062	154,535	96.0%
Zhengzhou	Jinhui Youbu Yunting	Residential	2025	33,704	109,965	96.0%
Subtotal of Northwestern China region					5,916,723	
Subtotal of interests in Northwestern China region					5,680,054	
<i>Southeastern China</i>						
Quanzhou	Shishi Jinhui City Phase I	Residential/commercial	2022	38,866	24,564	81.6%
Quanzhou	Shishi Jinhui City Phase II	Residential/commercial	2025	183,643	787,508	81.6%
Quanzhou	Jinhui New Block Academy	Residential/commercial	2023	30,865	96,877	96.0%
Quanzhou	Parcel No. 11 at Luojiang	Residential/commercial	2023	64,921	219,254	25.0%
Quanzhou	Land parcel J-05-01 at Anxi	Residential/commercial	2023	20,267	69,698	86.4%
Quanzhou	Shishi Heming	Residential/commercial	2024	31,959	106,500	49.0%
Quanzhou	Parcel S2021-13 in Shishi	Residential/commercial	2024	21,879	78,230	81.6%
Quanzhou	Parcel S2021-14 in Shishi	Residential/commercial	2023	19,646	71,115	81.6%
Fuzhou	Jinhui New Block Garden	Residential/commercial	2021	19,891	11,793	96.0%
Fuzhou	Jinhui Lanlinxuan	Residential/commercial	2021	63,518	40,777	96.0%
Fuzhou	Huai'an Phase I	Residential/commercial	2014	266,962	3,488	57.6%
Fuzhou	Huai'an Phase II	Residential/commercial	2020	357,309	111,150	57.6%

<b>Region</b>	<b>Project</b>	<b>Main Planned Usage of Projects</b>	<b>Actual/ Estimated Completion Year</b>	<b>Site Area (sq.m)</b>	<b>Gross Land Bank Area (sq.m)</b>	<b>Attributable Interests Held by the Group (%)</b>
Fuzhou	Huai'an Phase III	Residential	2021	360,992	90,337	57.6%
Fuzhou	Huai'an Phase V	Residential	2016	56,873	13,835	57.6%
Fuzhou	Radiance Plaza	Commercial	1999	1,141	16,760	96.0%
Fuzhou	Jinhui New Block Mansion	Residential/ commercial	2023	22,088	54,459	96.0%
Shangrao	Shangrao Tongluowan	Residential/ commercial	2025	232,917	650,125	52.8%
Fuqing	New Block Avenue	Residential/ commercial	2022	43,071	4,251	96.0%
Fuqing	Jiangshan Elite's Mansion	Residential/ commercial	2021	49,504	9,254	37.4%
Fuqing	Guanlan Elite's Mansion	Residential/ commercial	2020	49,440	4,667	96.0%
Fuqing	New Block Academy	Residential/ commercial	2020	53,168	15,338	34.6%
Fuqing	New Block Garden	Residential/ commercial	2022	45,138	570	49.0%
Fuqing	East Elite's Mansion	Residential	2022	16,330	2,945	49.0%
Fuqing	Zhongyang King's Garden	Residential/ commercial	2022	65,225	240,315	67.2%
Fuqing	Land Parcel No.2021 Lot-13	Residential/ commercial	2025	91,256	199,094	57.6%
Subtotal of Southeastern China region					2,922,904	
Subtotal of interests in Southeastern China region					1,927,961	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Shenzhen/Huizhou</i>						
Foshan	New Block Avenue	Residential/ commercial	2021	43,523	20,989	96.0%
Foshan	Lingnan Elite's Mansion	Residential/ commercial	2021	17,165	37,513	96.0%
Foshan	New Block Academy	Residential	2020	23,275	16,174	48.0%
Foshan	Yunjing Garden	Residential/ commercial	2024	44,207	168,247	96.0%
Foshan	Yunzhu Garden	Residential/ commercial	2023	66,439	238,878	96.0%
Huizhou	Dongdi Huayuan	Residential/ commercial	2020	19,231	18,187	96.0%
Huizhou	Jinhui Elegant Pavilion	Residential/ commercial	2021-2022	49,915	87,208	96.0%
Huizhou	New Block Mansion	Residential/ commercial	2022	12,415	41,812	96.0%
Huizhou	Gaoling Phase II	Residential/ commercial	2023	67,841	325,596	57.6%
Huizhou	Land parcel at Kaoling Township, Qiuchang Street, Huiyang District	Residential/ commercial	2023	39,344	174,545	96.0%
Huizhou	Land parcel at Jiangjun Road, Qiuchang Street, Huiyang District	Residential/ commercial	2023	43,506	148,330	96.0%
Huizhou	Tianyi Mingzhu Garden	Residential/ commercial	2025	72,128	259,399	96.0%
Subtotal of Shenzhen/Huizhou					1,536,878	
Subtotal of interests in Shenzhen/Huizhou					1,342,610	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Yangtze River Delta</i>						
Hangzhou	Jiushang Elite's Mansion	Residential	2020	64,505	37,829	96.0%
Hangzhou	Ziya Elite's Mansion	Residential	2020	11,349	20,625	96.0%
Shaoxing	New Block Guanlan Garden	Residential/ commercial	2022	70,150	34,074	96.0%
Shaoxing	Shaoxing Mirror Lake	Residential/ commercial	2022	48,883	154,388	96.0%
Shaoxing	Peninsula Elite's Mansion	Residential	2022	57,812	25,823	96.0%
Shaoxing	Jingyue Elite's Mansion	Residential	2023	63,210	173,918	96.0%
Shaoxing	Huiyi Elite's Yunting	Residential/ commercial	2023	29,366	89,150	96.0%
Suzhou	Sea Breeze Garden	Residential/ commercial	2020	18,866	23,963	96.0%
Suzhou	New Block Four Seasons Garden Phase I	Residential	2021	25,934	9,447	96.0%
Suzhou	New Block Four Seasons Garden Phase II	Residential	2022	28,102	11,928	96.0%
Suzhou	Qianwan Commercial Center	Commercial	2019	39,428	45,567	96.0%
Suzhou	Runyuan Mansion Yayuan	Residential	2021	43,611	9,645	96.0%
Suzhou	New Block Jiang Lai	Residential/ commercial	2023	85,305	214,216	96.0%
Suzhou	Taicang Block No.17	Commercial	2022	35,504	72,999	96.0%
Suzhou	Riverside Yunjing Garden	Residential/ commercial	2022	41,941	98,488	67.2%
Suzhou	Runyuan King's Garden	Residential	2019	80,669	32,566	96.0%
Nantong	Jinhui Elite's Mansion	Residential	2023	38,049	96,319	96.0%
Wuxi	Xidong King's Garden	Residential	2023	128,379	329,018	96.0%
Shanghai	Jinhui Tiancui Garden	Residential	2019	32,142	8,491	96.0%
Shanghai	Jingang Commercial Plaza	Commercial	2017	31,438	46,484	96.0%
Shanghai	Shanghai Jiulong Hotel	Commercial/hotel	2023	1,943	31,750	96.0%
Ningbo	Huiyi Yunting	Residential/ commercial	2022	26,477	3,261	96.0%
Ningbo	Jiangyue Waterflow	Residential/ commercial	2022	122,292	212,950	57.6%
Ningbo	Zilin Yunting	Residential/ commercial	2023	48,012	123,867	96.0%

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Ningbo	Chengyang Yunfu	Residential/ commercial	2023	25,091	65,127	96.0%
Ningbo	Yuyao Meishan Road Project	Residential/ commercial	2024	54,476	135,375	96.0%
Subtotal of Yangtze River Delta region					2,107,268	
Subtotal of interests in Yangtze River Delta region					1,912,840	
<b>Subtotal of land bank developed by the Group and its subsidiaries</b>					<b>25,426,768</b>	
<b>Subtotal of interests in the land bank developed by the Group and its subsidiaries</b>					<b>21,717,695</b>	
<b>Properties developed by the Group's joint ventures and associates</b>						
<i>Southwestern China</i>						
Chongqing	Luming House	Residential/ commercial	2021	157,427	108,598	32.6%
Chongqing	Jinke Jinhui Meiyuan	Residential/ commercial	2018-2021	177,239	71,125	47.0%
Chongqing	Jinke Jinhui Bocui Mountain	Residential/ commercial	2018-2021	188,419	39,224	47.0%
Chongqing	Liyue Jiangshan	Residential/ commercial	2019-2021	61,919	49,623	19.2%
Chengdu	Midea Jinhui Town	Residential	2022	41,940	87,419	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase I	Residential/ commercial	2019	39,038	20,971	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase II	Residential/ commercial	2019	71,472	34,671	48.0%
Subtotal of Southwestern China region					411,631	
Subtotal of interests in Southwestern China region					165,551	
<i>Central China</i>						
Hefei	Duhui City	Residential/ commercial	2022	109,852	44,835	24.0%
Changsha	Jinhui Weichu Mansion	Residential/ commercial	2021	60,331	14,147	48.0%
Jingzhou	Chuyue Elite's Mansion	Residential/ commercial	2022	51,187	19,895	48.0%
Subtotal of Central China region					78,877	
Subtotal of interests Central China region					27,101	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Bohai Economic Rim</i>						
Tianjin	Yonghe Yayuan	Residential	2022	45,437	90,126	38.4%
Tianjin	Yunzhu Garden	Residential/ commercial	2021	62,024	107,526	57.6%
Shijiazhuang	Jinke Tianyu Community	Residential	2026	56,946	161,604	33.6%
Shijiazhuang	Jinke Bocui Garden	Residential	2019	37,004	22,635	24.0%
Shenyang	Jimei Wanxiang	Residential/ commercial	2020	78,517	43,651	31.7%
Beijing	Daxing Huang Village Project	Residential/ commercial	2025	108,244	393,785	24.0%
Subtotal of Bohai Economic Rim region					819,327	
Subtotal of interests in Bohai Economic Rim region					264,612	
<i>Eastern China</i>						
Lianyungang	New Block Academy	Residential	2020	51,452	33,245	49.0%
Lianyungang	High Tech Cloud	Residential	2023	79,720	220,118	48.0%
Lianyungang	New Block Garden Phase I	Residential/ commercial	2022	122,205	121,415	8.7%
Lianyungang	New Block Garden Phase II	Residential/ commercial	2022	124,566	72,189	8.7%
Lianyungang	New Block Garden Phase III	Residential/ commercial	2024	131,888	289,051	8.7%
Nanjing	Time Mansion	Residential/ commercial	2022	131,964	192,221	47.0%
Nanjing	Mansion Yayuan	Residential/ commercial	2019	28,257	3,006	57.6%
Yangzhou	Tang Yuan	Residential/ commercial	2020	72,660	18,236	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential/ commercial	2024	25,157	80,801	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential	2024	24,514	83,246	48.0%
Xuzhou	New Block Riverside	Residential/ commercial	2021	50,212	11,290	48.0%
Subtotal of Eastern China region					1,124,818	
Subtotal of interests in Eastern China region					349,119	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Northwestern China</i>						
Xi'an	Jinhui Mansion	Residential/ commercial	2017	64,269	23,749	96.0%
Zhengzhou	Binhe Elite's Mansion	Residential/ commercial	2023	88,578	206,563	49.0%
Subtotal of Northwestern China region					230,312	
Subtotal of interests in Northwestern China region					123,931	
<i>Southeastern China</i>						
Fuzhou	Lexin Garden	Residential/ commercial	2022	125,737	118,030	31.7%
Fuzhou	Yuzhou Jinhui Zhongyang Garden	Residential/ commercial/office building	2020	45,134	18,366	32.6%
Fuzhou	Jinhui Longyue Garden District 1	Residential	2022	86,558	155,775	57.6%
Fuzhou	Jinhui Longyue Garden District 2	Residential/ commercial	2019	19,163	5,880	57.6%
Fuzhou	Guanlan Mansion	Residential/ commercial	2024	19,515	59,439	47.0%
Fuqing	Bright Binjiang	Residential/ commercial	2021	99,992	49,388	47.0%
Fuqing	Bright Tianjing	Residential/ commercial	2021	26,133	12	47.0%
Fuqing	Bright Tianyue	Residential/ commercial	2021	36,757	6,951	15.0%
Fuqing	City Plaza	Residential/ commercial	2021	75,854	19,011	48.0%
Fuqing	Boyue Mansion	Residential/ commercial	2020	41,675	3,743	32.0%
Subtotal of Southeastern China region					436,595	
Subtotal of interests in Southeastern China region					199,067	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Shenzhen/Huizhou</i>						
Foshan	Elite's Mansion Mingyuan	Residential/ commercial	2021	39,844	87,516	49.0%
Huizhou	Baoliyue Mansion	Residential/ commercial	2020	27,990	105,432	32.0%
Subtotal of Shenzhen/Huizhou					192,948	
Subtotal of interests in Shenzhen/Huizhou					<u>76,583</u>	
<i>Yangtze River Delta</i>						
Hangzhou	Zizhangtai Apartment	Residential	2020	68,263	120,428	49.0%
Hangzhou	Huiyi Elite's Mansion	Residential	2020	59,668	41,813	47.0%
Shaoxing	Guanlan Yunting	Residential	2024	117,391	300,012	48.0%
Ningbo	Jinhui & Powerlong Plaza	Residential/ commercial	2022	86,528	283,991	47.0%
Suzhou	Lanxi Bay Yuyuan	Residential	2019	66,738	10,496	30.7%
Suzhou	Shanghu King's Garden	Residential	2019	46,004	20,348	31.7%
Suzhou	Sea Time Garden	Residential	2020	69,206	40,066	15.4%
Suzhou	Huaman Seasons Garden	Residential	2020	32,044	345	49.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase I	Residential	2020	24,583	16,185	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase II	Residential	2021	30,760	25,263	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase III	Commercial/office building	2022	7,239	53,459	47.0%
Subtotal of Yangtze River Delta region					912,406	
Subtotal of interests in Yangtze River Delta region					<u>416,863</u>	
<b>Subtotal of land bank developed by the Group's joint ventures and associates</b>					<b>4,206,914</b>	
<b>Subtotal of interests in the land bank developed by the Group's joint ventures and associates</b>					<b><u>1,622,827</u></b>	
<b>Total</b>					<b>29,633,682</b>	
<b>Total interests</b>					<b><u>23,340,522</u></b>	

*Note:*

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects, (ii) total GFA for properties under development, and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2022, the revenue of the Group was approximately RMB18,216.3 million, representing an increase of 13.4% as compared to approximately RMB16,066.4 million of the corresponding period last year. The Group's revenue mainly derived from the development and sales of the Group's residential properties and commercial properties. The Group also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to the Group's joint ventures and associates.

The table below sets forth the certain information related to the Group's revenue:

	For the six months ended 30 June			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development and sales	<b>18,002,629</b>	<b>98.8</b>	15,794,783	98.3
Residential	<b>17,456,258</b>	<b>95.8</b>	15,177,043	94.5
Commercial	<b>546,371</b>	<b>3.0</b>	617,740	3.8
Property leasing	<b>196,515</b>	<b>1.1</b>	189,180	1.2
Management consulting services	<b>17,148</b>	<b>0.1</b>	82,482	0.5
Total	<b><u>18,216,292</u></b>	<b><u>100.0</u></b>	<b><u>16,066,445</u></b>	<b><u>100.0</u></b>

### Revenue from Property Development and Sales

For the six months ended 30 June 2022, the revenue from property development and sales was approximately RMB18,002.6 million, representing an increase of 14.0% as compared to approximately RMB15,794.8 million for the corresponding period last year. The increase in the Group's revenue from property development and sales was primarily attributable to an increase in the number of completed and delivered property projects of the Group, which resulted in an increase in the Group's total GFA delivered, especially in Yangtze River Delta region which showed greater increase during the Period.

## **Rental Income**

Revenue from property leasing consists of recurring rental revenue from leasing the Group's commercial properties, such as office buildings, shopping malls and shopping streets. The Group's rental income increased by approximately 3.9% to RMB196.5 million for the six months ended 30 June 2022 from RMB189.2 million for the six months ended 30 June 2021. The increase was mainly due to the stable occupancy rate and rental level of the Group's investment properties in the first half of 2022.

## **Management Consulting Services**

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. The Group's revenue from management consulting services decreased by approximately 79.2% to RMB17.1 million for the six months ended 30 June 2022 from RMB82.5 million for the six months ended 30 June 2021, which was mainly due to the decrease in the number of projects developed by the Group's joint ventures and associates that settled the management consulting services required in the first half of 2022.

## **Cost of sales**

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the six months ended 30 June 2022, the Group's cost of sales amounted to approximately RMB14,985.5 million, representing an increase of 18.3% as compared to that of RMB12,673.1 million for the six months ended 30 June 2021. The increase was primarily attributable to an expansion in the scale of the Group's operations and accordingly an increase in the Group's corresponding total GFA delivered.

## **Gross Profit and Gross Profit Margin**

The Group's gross profit decreased to RMB3,230.8 million for the six months ended 30 June 2022 from RMB3,393.3 million for the six months ended 30 June 2021.

The Group's gross profit margin decreased to 17.7% for the six months ended 30 June 2022 from 21.1% for the six months ended 30 June 2021.

## **Finance income**

The Group's finance income primarily consists of interest income from bank deposits. The Group's finance income decreased by approximately 48.6% to RMB49.8 million for the six months ended 30 June 2022 from RMB97.0 million for the six months ended 30 June 2021. The decrease was mainly due to the decrease in the Group's bank balances which led to the decrease in interest income generated by deposits during the six months ended 30 June 2022.

## **Other Income and Gains**

The Group's other income and gains decreased to RMB10.9 million for the six months ended 30 June 2022 from RMB87.7 million for the six months ended 30 June 2021, which was mainly due to the absence of gain from disposal of subsidiaries during the Period.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to the Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of the Group's after-sales services to the Group's customers.

The Group's selling and distribution expenses slightly decreased by approximately 1.4% to RMB502.2 million for the six months ended 30 June 2022 from RMB509.4 million for the six months ended 30 June 2021.

## **Administrative Expenses**

The Group's administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to the Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to the properties leased by the Groups; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by the Group's administrative personnel in the daily operations of the Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase the Group's operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 11.6% to RMB425.2 million for the six months ended 30 June 2022 from RMB481.0 million for the six months ended 30 June 2021.

## **Finance Cost**

The Group's finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the Period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost increased by approximately 87.2% to RMB180.7 million for the six months ended 30 June 2022 from RMB96.5 million for the six months ended 30 June 2021, which was primarily attributable to the decrease in the capitalisation rate of the interest-bearing debts.

The Group's weighted average cost of indebtedness as at 30 June 2022 was approximately 6.24% (31 December 2021: 6.58%).

## **Other Expenses**

The Group's other expenses increased by approximately 618.2% to RMB174.8 million for the six months ended 30 June 2022 from RMB24.3 million for the six months ended 30 June 2021, which was primarily attributable to the increase in foreign exchange losses because the Group issued US dollar-denominated bonds and the US dollar appreciated against Renminbi by more than 5% in the first half of 2022.

## **Fair Value Gains on Investment Properties**

Fair value gains on investment properties represent the changes in the fair value of the Group's investment properties. For the six months ended 30 June 2022, the Group recorded fair value gains on investment properties of RMB107.3 million, representing a decrease of 78.6% as compared to that of RMB501.2 million for the six months ended 30 June 2021, which was mainly attributable to the absence of new investment property projects during the Period.

## **Share of Profits of Joint Ventures**

For the six months ended 30 June 2022, the Group recorded share of profits of joint ventures of RMB78.8 million, while it recorded share of profits of joint ventures of RMB30.3 million for the six months ended 30 June 2021. Such increase was mainly attributable to the increase in total GFA delivered of the property projects held by the Group's joint ventures during the Period.

## **Share of Profits of Associates**

The Group's share of associates increased to profits of RMB193.2 million for the six months ended 30 June 2022 from profits of RMB191.3 million for the six months ended 30 June 2021, which remained stable.

## **Profit Before Tax**

The Group's profit before tax decreased by approximately 25.1% to RMB2,384.3 million for the six months ended 30 June 2022 from RMB3,183.4 million for the six months ended 30 June 2021.

## **Income Tax Expenses**

The Group's income tax expenses for the Period included the provision made for PRC enterprise income tax and land appreciation tax, net of deferred tax. The Group's income tax expenses decreased by approximately 23.8% to RMB892.1 million for the six months ended 30 June 2022 from RMB1,171.1 million for the six months ended 30 June 2021, which was primarily attributable to the decrease in enterprise income tax and land appreciation tax as a result of the decrease in the Group's taxable profit.

The effective enterprise income tax rate (i.e. income tax divided by profit before tax) of the Group for the six months ended 30 June 2022 was 37.4%, as compared to that of 36.8% for the six months ended 30 June 2021.

## **Profit for the Period**

As a result of the change in the Group's financial data mentioned above, the profit for the Period of the Group decreased by approximately 25.9% to RMB1,492.2 million during the six months ended 30 June 2022 from RMB2,012.4 million during the six months ended 30 June 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Net Current Assets**

As at 30 June 2022, the Group's net current assets was RMB40,131.3 million (31 December 2021: RMB48,027.6 million). In particular, the Group's total current assets decreased by approximately 10.2% to RMB146,881.5 million as at 30 June 2022 from RMB163,474.6 million as at 31 December 2021. The Group's total current liabilities decreased by approximately 7.5% to RMB106,750.2 million as at 30 June 2022 from RMB115,447.1 million as at 31 December 2021. The decrease of the Group's total current assets was mainly attributable to (i) the decrease in properties under development as a result of the Group's carryforward of income; (ii) the decrease in prepayments, other receivables and other assets; and (iii) the decrease in monetary funds. The decrease in the Group's total current liabilities was mainly attributable to (i) the decrease in contract liabilities as a result of the Group's carryforward of income; and (ii) the decrease in the outstanding principal amount of maturing senior notes.

### **Cash Position**

As at 30 June 2022, the Group's cash and bank balances was RMB15,385.5 million (31 December 2021: RMB19,728.5 million). Excluding the restricted cash and pledged deposits, the Group's cash and cash equivalents amounted to RMB8,211.9 million, of which RMB8,166.7 million, RMB42.5 million and RMB2.7 million (31 December 2021: RMB11,221.9 million, of which RMB10,873.3 million, RMB97.7 million and RMB250.9 million) were denominated in Renminbi, Hong Kong dollars and US dollars.

### **Indebtedness**

As at 30 June 2022, the Group's outstanding borrowings amounted to RMB43,453.1 million (31 December 2021: RMB52,794.2 million), save for the RMB2,420.0 million senior notes which were denominated in US dollars, all other borrowings of the Group were denominated in Renminbi.

The table below sets forth the components of the Group's borrowings as of the dates indicated:

	As at <b>30 June</b> <b>2022</b> <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
<b>Current</b>		
Bank loans – secured	–	126,875
Other loans – secured	<b>1,130,000</b>	747,000
Current portion of long term bank loans – secured	<b>7,564,803</b>	7,730,586
Current portion of other loans – secured	<b>1,292,784</b>	899,572
Corporate bonds	<b>3,209,607</b>	4,572,592
Senior notes	<b>44,831</b>	2,650,016
Proceeds from asset-backed securities	<b>64,491</b>	65,705
<b>Total current</b>	<b>13,306,516</b>	16,792,346
<b>Non-current</b>		
Bank loans – secured	<b>20,574,638</b>	24,789,490
Other loans – secured	<b>1,110,000</b>	1,870,000
Corporate bonds	<b>850,000</b>	2,197,450
Senior notes	<b>2,375,146</b>	1,891,050
Proceeds from asset-backed securities	<b>5,236,821</b>	5,253,870
<b>Total non-current</b>	<b>30,146,605</b>	36,001,860
<b>Total borrowings</b>	<b>43,453,121</b>	52,794,206
Secured	<b>36,973,537</b>	41,483,098
Unsecured	<b>6,479,584</b>	11,311,108
<b>Total borrowings</b>	<b>43,453,121</b>	52,794,206

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	<b>As at 30 June 2022 RMB'000</b>	As at 31 December 2021 RMB'000
Bank loans repayable:		
Within one year	7,564,803	7,857,461
In the second year	15,505,058	12,280,310
In the third to fifth years, inclusive	4,595,105	12,007,940
Over five years	<u>474,475</u>	<u>501,240</u>
	<u><b>28,139,441</b></u>	<u>32,646,951</u>
Other borrowings repayable:		
Within one year	2,422,784	1,646,572
In the second year	200,000	900,000
In the third to fifth years, inclusive	<u>910,000</u>	<u>970,000</u>
	<u><b>3,532,784</b></u>	<u>3,516,572</u>
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	3,318,929	7,288,313
Between one and four years	3,408,498	5,917,165
Over four years	<u>5,053,469</u>	<u>3,425,205</u>
	<u><b>11,780,896</b></u>	<u>16,630,683</u>
Total	<u><b>43,453,121</b></u>	<u>52,794,206</u>
By fixed or floating interest rates		
Fixed interest rate	20,952,796	26,893,800
Floating interest rate	<u>22,500,325</u>	<u>25,900,406</u>
Total Indebtedness	<u><b>43,453,121</b></u>	<u>52,794,206</u>

## **Pledge of Assets**

As at 30 June 2022, the Group's borrowings were secured by the Group's assets in the amount of RMB65,991.4 million (31 December 2021: RMB70,721.9 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; and (v) right-of-use assets.

## **Financial Risk**

The Group's businesses exposed the Group to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize the risk exposures of the Group, the Group does not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

## **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 uses variable rate bank borrowings and other borrowings to manage its interest cost.

## **Foreign Exchange Risk**

The Group mainly operates its business in China, and substantially all of its revenue and expenses are denominated in Renminbi. As at 30 June 2022, among the Group's cash and bank balances, RMB2.7 million and RMB42.5 million was denominated in Hong Kong dollars and US dollars, respectively, senior notes of RMB2,420.0 million were denominated in US dollars, such amounts were 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.

## **Credit Risk**

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

## **Liquidity Risk**

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

## **Contingent Liabilities**

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides its customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and has the right to claim such amounts from the defaulting purchaser. The Group did not incur any material losses during the Period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value are immaterial. As such, no provision has been made in connection with the guarantees.

As at 30 June 2022, the Group has provided guarantees to the banks amounting to RMB36,541.6 million (31 December 2021: RMB40,093.5 million) in total for the financing granted to the purchasers of the Group's properties. As at 30 June 2022, the Group has provided guarantees to the banks and other institutions amounting to RMB1,458.7 million (31 December 2021: RMB1,426.5 million) in total for the financing granted to related companies of the Group. During the Period, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group for the purpose of the indebtedness statement.

### **Legal Contingents**

The Group may be involved in lawsuits and other proceedings from time to time during its ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on its business, financial condition or operating results.

### **Commitment**

As at 30 June 2022, the Group had capital commitment of RMB21,792.8 million (31 December 2021: RMB23,147.5 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

### **Off-Balance Sheet Commitment and Arrangements**

Save for the contingent liabilities disclosed above, as at 30 June 2022, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

## **Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

The Group had no significant investments held and had no significant acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

## **Future Plan for Material Investments or Capital Assets**

Save as disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 30 June 2022.

## **EMPLOYEES**

As at 30 June 2022, the Group had a total of 2,606 employees, and most of them were based in China. For the six months ended 30 June 2022, staff costs (including Directors' remuneration) was approximately RMB248.5 million (for the six months ended 30 June 2021: approximately RMB421.9 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of its employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

## **EVENTS AFTER THE PERIOD**

No material events were undertaken by the Group subsequent to 30 June 2022 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Group is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. During the six months ended 30 June 2022, the Company applied the principles of and fully complied with the code provisions set out in Part 2 of the Corporate Governance Code (“**CG Code**”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation from code provision C.2.1 of Part 2 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of Part 2 of the CG Code is appropriate in such circumstance.

Notwithstanding the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them has confirmed that he had complied with all applicable code provisions under the Model Code during the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## **AUDIT COMMITTEE**

The Board established an audit committee with written terms of reference in compliance with the CG Code. The terms of reference of the audit committee has been uploaded to the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.radiance.com.cn](http://www.radiance.com.cn)).

The primary duties of the audit committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The audit committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the audit committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The audit committee has reviewed the interim results for the six months ended 30 June 2022. The interim results for the six months ended 30 June 2022 has not been audited but has been reviewed by Ernst & Young, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **INTERIM DIVIDEND**

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

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.radiance.com.cn](http://www.radiance.com.cn). The Company’s interim report for the six months ended 30 June 2022 will be despatched to shareholders and published on the aforementioned websites in due course.

By order of the Board  
**Radiance Holdings (Group) Company Limited**  
**Lam Ting Keung**  
*Chairman*

Hong Kong, 19 August 2022

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Mr. Xu Xiaodong and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.*