



**明发集团**  
MINGFA GROUP

**Mingfa Group (International) Company Limited**

**明發集團（國際）有限公司**

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

Stock code : 846



**2020 INTERIM REPORT**





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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

- Mr. Liu Yuwei  
Mr. Ng Man Fung Walter  
*(appointed on 23 April 2020)*  
Mr. Zhong Xiaoming  
*(appointed on 17 July 2020)*  
Mr. Huang Li Shui  
*(resigned effective 23 April 2020)*  
Mr. Huang Qingzhu  
*(resigned effective 17 July 2020)*  
Mr. Huang Lianchun  
*(resigned effective 17 July 2020)*

#### Non-Executive Director

- Dr. Lam, Lee G. *(Chairman)*  
*(re-designated from Independent  
Non-Executive Director to Non-Executive  
Director effective 23 April 2020)*  
Mr. Wong Wun Ming  
*(resigned effective 23 April 2020)*

#### Independent Non-Executive Directors

- Mr. Lau Kin Hon  
Mr. Chu Kin Wang Peleus  
Mr. Chan Sing Lai

### COMPANY SECRETARY

- Mr. Poon Wing Chuen *(FCCA)*

### AUDIT COMMITTEE

- Mr. Chu Kin Wang Peleus  
*(chairperson of the committee)*  
Mr. Lau Kin Hon  
Mr. Chan Sing Lai  
*(appointed as member  
effective 23 April 2020)*

### NOMINATION COMMITTEE

- Mr. Chan Sing Lai  
*(appointed as Chairperson of the  
committee effective 23 April 2020)*  
Mr. Lau Kin Hon  
Mr. Chu Kin Wang Peleus

### REMUNERATION COMMITTEE

- Mr. Lau Kin Hon  
*(chairperson of the committee)*  
Mr. Chu Kin Wang Peleus  
Mr. Chan Sing Lai  
*(appointed as member effective  
23 April 2020)*

### RISK MANAGEMENT COMMITTEE

- Mr. Chan Sing Lai  
*(chairperson of the committee)*  
Mr. Lau Kin Hon  
Mr. Chu Kin Wang Peleus  
*(appointed as member effective  
23 April 2020)*

### AUTHORISED REPRESENTATIVES

- Mr. Ng Man Fung Walter  
*(appointed on 23 April 2020)*  
Mr. Poon Wing Chuen *(FCCA)*  
Mr. Wong Wun Ming  
*(resigned effective 23 April 2020)*

### REGISTERED OFFICE

- Vistra (Cayman) Limited  
P.O. Box 31119 Grand Pavilion  
Hibiscus Way, 802 West Bay Road  
Grand Cayman, KY1-1205  
Cayman Islands

### HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

Jiangsu Mingfa Business Park  
No. 88 Pudong North Road  
Pukou, Nanjing City  
Jiangsu Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 6–8, 23/F, South Tower  
Concordia Plaza  
1 Science Museum Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### COMPANY'S WEBSITE

<http://www.ming-fa.com>

### STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED (MAIN BOARD)

846

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL BANKERS

Hang Seng Bank Limited  
Bank of China (Hong Kong) Limited

### LEGAL ADVISER AS TO HONG KONG LAWS

Paul Hastings  
21–22/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

### AUDITOR

BDO Limited  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong



## Financial Highlights

	Unaudited		
	For the six months ended 30 June		
	2020	2019	Percentage of increase
Revenue ( <i>RMB million</i> )	<b>7,691.9</b>	4,118.9	86.7%
Profit attributable to equity holders of the Company ( <i>RMB million</i> )	<b>752.9</b>	418.3	80.0%
Basic and diluted earnings per share ( <i>RMB cents</i> )	<b>12.4</b>	6.9	79.7%

The Board (“**Board**”) of Directors (“**Directors**”) of Mingfa Group (International) Company Limited (“**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (“**Group**”) for the six months ended 30 June 2020 together with comparative amounts for the corresponding period in 2019.





## RESULTS

The unaudited consolidated revenue of the Group increased by 86.7% to approximately RMB7,691.9 million (corresponding period in 2019: approximately RMB4,118.9 million) for the six months ended 30 June 2020.

During the period under review, the unaudited consolidated profit attributable to equity holders of the Company was approximately RMB752.9 million (corresponding period in 2019: approximately RMB418.3 million), representing an increase of 80.0% compared to the corresponding period in 2019.

The unaudited basic and diluted earnings per share were RMB12.4 cents for the six months ended 30 June 2020 (corresponding period in 2019: RMB6.9 cents), representing an increase of 79.7% compared to the corresponding period in 2019.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2020 (30 June 2019: Nil).

## INDUSTRY REVIEW

The outbreak of COVID-19 had negative impact on the global economy in 2020 and continued in the third quarter 2020. It is uncertain when the global economy will rebound. The property market in PRC encountered market downturn in the first quarter 2020 and became stable in the second quarter 2020. The PRC government imposed the strict and effective policies to control the spread. Then, the overall PRC economy started to recover in the second quarter. The major cities in the Yangtze Delta Area had out-performed in terms of trading volume and sales prices.

## BUSINESS REVIEW

### Sales and Earnings

The unaudited consolidated revenue for the six months ended 30 June 2020 was approximately RMB7,691.9 million (corresponding period in 2019: approximately RMB4,118.9 million), representing an increase of 86.7%. The increase in revenue was due to the increase in GFA delivered to the buyers from 547,359 sq.m. for the six months ended 30 June 2019 to 930,017 sq.m. for the six months ended 30 June 2020.

The unaudited consolidated gross profit for the six months ended 30 June 2020 was approximately RMB2,357.9 million (corresponding period in 2019: approximately RMB1,269.1 million), representing an increase of 85.8% which was mainly due to the increase in revenue.





## Management Discussion and Analysis

Fair value gains on investment properties decreased by 96.8% to approximately RMB7.0 million (corresponding period in 2019: approximately RMB220.0 million). The decrease was mainly due to the fact that less addition on GFA was classified as investment properties for the six months ended 30 June 2020.

Other income and other losses of approximately RMB101.0 million was incurred for the six months ended 30 June 2020 (corresponding period in 2019: approximately RMB37.9 million). Such changes was mainly due to the increase in exchange losses arisen from currency translation of the offshore loans nominated in USD in 2020.

Selling and marketing costs were approximately RMB339.0 million for the six months ended 30 June 2020, representing an increase of 50.2% over 2019 (corresponding period in 2019: approximately RMB225.6 million). The increase was mainly due to the increase in sales commission which was resulted from the increase in sales.

General and administrative expenses were approximately RMB275.6 million for the six months ended 30 June 2020, representing a decrease of 9.4% over 2019 (corresponding period in 2019: approximately RMB304.2 million). The drop was mainly due to the decrease in staff cost which was resulted from the decrease in number of staff from 3,634 as at 30 June 2019 to 3,176 as at 30 June 2020.

Finance income decreased by 60.9% to approximately RMB19.7 million for the six months ended 30 June 2020 (corresponding period in 2019: approximately RMB50.3 million). The decrease was mainly due to the decrease in cash balance in 2020 as compared to 2019.

As a result of the foregoing factors, unaudited consolidated profit attributable to the equity holders of the Company for the six months ended 30 June 2020 was approximately RMB752.9 million (corresponding period in 2019: approximately RMB418.3 million), representing an increase of 80.0% from the corresponding period in 2019.

Regarding the recognised sales for the six months ended 30 June 2020, the average selling price (“ASP”) per square metre (“sq.m.”) achieved by the Group was RMB7,851.9 per sq.m., representing an increase of 11.4% from RMB7,047.8 per sq.m. for the corresponding period in 2019. The increase in ASP for the six months ended 30 June 2020 was mainly due to the delivery of the properties in Nanjing which had higher ASP as compared to the properties delivered in Wujiang for the corresponding period in 2019.





# Management Discussion and Analysis



## Contracted Sales

In the first half of 2020, the Group achieved contracted sales of approximately RMB4,322.4 million (corresponding period in 2019: approximately RMB5,317.3 million). The ASP for the contracted sales had decreased by 2.0% to RMB8,211.0 per sq.m. during the period under review (corresponding period in 2019: approximately RMB8,382.0 per sq.m.).

## Segment Information

Revenue generated from various segments are analyzed as follows:

For the six months ended	Commercial Properties	Residential Properties	Properties Investment and Management Income	Hotel	Others	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
<b>30 June 2020</b>	<b>83.0</b>	<b>7,219.4</b>	<b>182.4</b>	<b>65.4</b>	<b>141.7</b>	<b>7,691.9</b>
30 June 2019	363.3	3,494.3	149.5	110.0	1.8	4,118.9

The increase in revenue generated from commercial and residential properties was mainly due to more GFA having been delivered to the buyers from 547,359.7 sq.m. for the six months ended 30 June 2019 to 930,017.1 sq.m. for the six months ended 30 June 2020.





## Management Discussion and Analysis

### Pre-sold Properties

As at 30 June 2020, the accumulated attributable GFA of pre-sold properties not yet delivered to the buyers was 2,531,680 sq.m. (as at 31 December 2019: 2,908,020 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Changsha	Changsha Mingfa Shopping Mall	100%	147,565
Chizhou	Taoyuan Mingzhu	100%	38,326
Chizhou	Taoyuan Xiangsong	100%	65,534
Chizhou	Yangguang Qingcheng	100%	40,266
Dingyuan	Dingyuan Mingfa Shuiyun Taoyuan	100%	65,270
Fengxian	Xingyue City	70%	49,609
Guang'an	Guang'an Mingfa Shopping Mall	100%	57,612
Guang'an	Guang'an Wealth Centre	100%	101,337
Hefei	Hefei Mingfa Shopping Mall	100%	19,946
Huai'an	Huai'an Mingfa Shopping Mall	100%	41,467
Huai'an	Jinse Shui'an	100%	19,063
Huizhou	Huizhou Mingfa Gaobang New City	80%	21,942
Jinzhai	Mingfa City Lights	100%	74,581
Jinzhai	Jinzhai Yueshanyuefu	100%	119,074
Jinzhai	Jinzhai Mingfa City Square	100%	200,729
Laian	Mingfa North Station Centre	100%	61,259
Laian	Mingfa North Station New Town	100%	12,744
Laian	Mingfa North Station Yayuan	100%	92,219
Ma'anshan	Hecheng Shoufu	100%	22,659
Ma'anshan	Mingfa MingBo Town	100%	13,595
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Nanjing	Nanjing Mingfa Yueshanyuefu	100%	46,480
Nanjing	Nanjing Mingfa International Business Centre	80%	45,386
Pingliang	Pingliang Mingfa European City	60%	21,679
Quanjiao	Taoyuan New Town	100%	92,050
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	39,597
Shenyang	Shenyang Mingfa Jinxiuhua City	100%	85,489
Shenyang	Shenyang Mingfa Mall	100%	30,507

## Management Discussion and Analysis



City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Sihong	Shui Yun Taoyuan	100%	36,052
Suqian	Siyang Mingfa Shoufu	70%	53,408
Taizhou	Taizhou Mingfa City Complex	100%	96,553
Wuhu	Chun Gu Xi An	100%	80,605
Wujiang	Wujiang Mingfa Jiangwan New City	100%	166,578
Xiamen	Xiamen Mingfa Shopping Mall	70%	15,917
Xuzhou	Taoyuan Mingzhu	100%	25,005
Zhangzhou	Zhangpu 2017SG15	100%	12,137
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	38,653
Zhengjiang	Zhengjiang Jinxiu Yinshan	100%	57,531
Zibo	Zibo World Trade Centre	100%	123,874
Zibo	Taohua Yuanzhu	100%	63,522
Others			105,313
Total			2,531,680





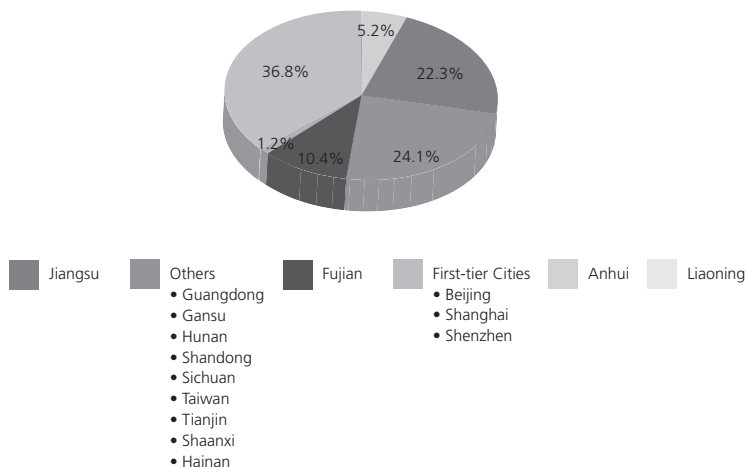
## Management Discussion and Analysis

### Summary of Land Bank

As at 30 June 2020, land bank attributable to the Group increased by 5.6% to approximately 22.5 million sq.m. (approximately 21.3 million sq.m. as at 31 December 2019), consisting of 133 projects (125 projects as at 31 December 2019) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	37	2.6
Projects under development	66	14.4
Projects for future development	30	5.5
<b>Total</b>	<b>133</b>	<b>22.5</b>

Total Land Bank by Province as at 30 June 2020



# Management Discussion and Analysis

The following tables summarize the details of the Group's land bank as at 30 June 2020:

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Completed Properties (held for sale/leasing) (Note 1)</b>								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/ Office	Completed	18,247	449	100%	449
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/ Commercial/ Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Ivling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/ Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at Qianpu Lianqian East Road North, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/ Commercial/ Office	Completed	26,016	5,527	100%	5,527
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/ Office/Hotel	Completed	166,775	25,663	70%	17,964
Xiamen Mingfa Town	Located at Ivling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/ Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	3,189	100%	3,189
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/ Commercial	Completed	1,072,182	34,363	100%	34,363
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/ Office/Hotel	Completed	182,588	112,186	100%	112,186





## Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yangqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/ Commercial/ Hotel	Completed	216,643	435,984	70%	305,189
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/ Commercial/ Office/Hotel	Completed	176,698	185,036	100%	185,036
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/ Commercial/ Hotel	Completed	145,267	226,291	100%	226,291
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/ Commercial/ Office	Completed	128,683	69,851	100%	69,851
Honglai Mingfa Commercial Center	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	11,726	100%	11,726
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/ Commercial	Completed	104,380	13,308	100%	13,308
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xipu Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/ Commercial/ Office/Hotel	Completed	223,589	237,328	100%	237,328
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	136,972	100%	136,972
Huaian Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huaian, Jiangsu Province	Dec/2014	Residential	Completed	51,345	10,403	100%	10,403

# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhong Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	7,215	100%	7,215
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/ Commercial	Completed	59,042	32,079	100%	32,079
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	3,103	40%	1,012
Jinzhai Mingfa City Square (G Block)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/ Commercial	Completed	105,504	219,327	100%	219,327
Jinzhai Mingfa City Square (D Block)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/ Commercial	Completed	62,885	57,629	100%	57,629
Wuxi Mingfa International New Town	Located south of Yangqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/ Commercial	Completed	258,297	84,908	100%	84,908
Jinzhai Mingfa City Square (E, F Blocks)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/ Commercial	Completed	203,406	226,883	100%	226,883
Beijing Mingfa Shopping Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/ Commercial	Completed	45,414	111,142	100%	111,142
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Completed	58,914	15,841	100%	6,478
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	94,402	100%	94,402
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new Road, Danbei Town, Danyang City	Jan/2018	Residential/ Commercial	Completed	14,287	10,959	100%	10,959





## Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen	Dec/2018	Commercial	Completed	4,109	12,320	100%	8,458
Nanjing Mingfa Yuejingyuan (G07)	Located at Pukou south along the mountain road, east side Nanjing University of Technology	Oct/2018	Commercial	Completed	31,455	38,354	100%	38,354
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	115,876	94,948	100%	94,948
Nanjing Xingyue City	Located in along the Street High and New Technology Industrial Development Zone, Nanjing, Jiangsu Province	Dec/2019	Commercial	Completed	27,428	12,690	40%	5,076
Jinzhai Mingfa City Square (AC Block)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/ Commercial	Completed	111,142	127,224	100%	127,224
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Laian County	Jan/2020	Residential/ Commercial	Completed	65,335	13,727	100%	13,727
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	132,937	63,720	51%	32,497
<b>Sub-total</b>					<b>4,115,359</b>	<b>2,765,909</b>		<b>2,573,262</b>

# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Properties under development</b> <i>(Note 2)</i>								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2021	Residential/ Commercial/ Hotel	Approximately 90% of construction has been completed	296,702	164,671	100%	164,671
Huaian Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huaian, Jiangsu Province	Dec/2021	Commercial	Approximately 90% of construction has been completed	133,110	256,633	100%	256,633
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqiu Daoyi Development Zone, Liaoning Province	Dec/2021	Residential/ Commercial	Approximately 90% of construction has been completed	61,222	168,881	100%	168,881
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2021	Residential	Approximately 90% of construction has been completed	158,238	3,303	100%	3,303
Taizhou Mingfa International Mall (Block I)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2021	Residential/ Commercial	Approximately 75% of construction has been completed	292,487	318,656	100%	318,656
Taizhou Mingfa International Mall (Block II)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2021	Residential/ Industrial	Approximately 65% of construction has been completed	237,075	160,815	100%	160,815
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Block I)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2021	Residential/ Commercial	Approximately 90% of construction has been completed	78,622	234,764	100%	234,764
Shanghai Mingfa Shopping Mall	Located in Hu Yi Highway East, Baiyin Road of South, Boundary of West, Gaotai Road North, Shanghai	Dec/2021	Commercial	Approximately 50% of construction has been completed	53,779	152,555	100%	152,555
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Dec/2021	Residential	Approximately 80% of construction has been completed	117,594	109,513	60%	65,708
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2021	Residential/ Commercial	Approximately 60% of construction has been completed	285,594	941,968	100%	941,968





## Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2021	Residential	Approximately 70% of construction has been completed	332,335	708,157	80%	566,526
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2021	Commercial	Approximately 55% of construction has been completed	209,048	361,046	100%	361,046
Nanjing Mingfa Wealth Center	Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2020	Commercial/ Office	Approximately 80% of construction has been completed	56,694	96,619	100%	96,619
Wujiang Mingfa Jiangwan New City (Block I)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2020	Residential/ Commercial	Approximately 75% of construction has been completed	298,289	505,814	100%	505,814
Wujiang Mingfa Jiangwan New City (Block II)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2021	Residential/ Commercial	Approximately 65% of construction has been completed	489,567	1,013,658	100%	1,013,658
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Dec/2021	Residential/ Commercial	Approximately 60% of construction has been completed	276,120	745,458	100%	745,458
Guang'an Mingfa Shopping Mall (GC2013-45 Block)	Located in Bridge Group, Guang'an, Sichuan Province	Dec/2020	Residential/ Commercial	Approximately 65% of construction has been completed	76,153	275,383	100%	275,383
Shandong Zibo World Trade Center	Located in People's Road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2021	Residential/ Commercial	Approximately 60% of construction has been completed	147,371	448,279	100%	448,279
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2021	Residential/ Commercial	Approximately 75% of construction has been completed	154,024	286,667	100%	286,667
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Block II)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jun/2021	Residential	Approximately 60% of construction has been completed	63,127	106,956	100%	106,956
Zhongao Town Building	Located at south of Xiang'an District, Xiamen, Fujian Province	Dec/2020	Commercial	Approximately 65% of construction has been completed	11,870	98,104	51%	50,033



# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Mingfa MingBo Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2020	Residential/ Commercial	Approximately 65% of construction has been completed	101,504	56,475	100%	56,475
Nanjing Mingfa Yueshan Yuefu	Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Dec/2021	Residential	Approximately 85% of construction has been completed	72,280	51,053	100%	51,053
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2020	Residential	Approximately 65% of construction has been completed	109,452	200,229	100%	200,229
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2020	Residential	Approximately 65% of construction has been completed	18,099	28,933	100%	28,933
Taoyuan Mingzhu	Located in Shengjinhu Road, Chizhou, Anhui Province	Jun/2021	Residential	Approximately 65% of construction has been completed	99,943	136,793	100%	136,793
Sihong Shuiyun Taoyuan Garden	Located in Radish Li Road East, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2021	Residential/ Commercial	Approximately 55% of construction has been completed	84,200	108,590	100%	108,590
Jinse Shuian	Located in north side of Huaihe Road, Jinhu County, Huanan, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	289,236	285,063	100%	285,063
Taoyuan Xi'an	Located in Gushu Town, Dangtu County, Anhui Province	Dec/2020	Residential/ Commercial	Approximately 55% of construction has been completed	24,439	10,250	100%	10,250
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Approximately 55% of construction has been completed	43,868	3,300	100%	3,300
Wujiang Mingfa Jiangwan New City (Block III)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2021	Residential/ Commercial	Approximately 40% of construction has been completed	613,287	1,556,559	100%	1,556,559
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2021	Commercial	Approximately 45% of construction has been completed	62,015	446,246	80%	356,997





# Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2020	Residential/ Commercial	Approximately 50% of construction has been completed	36,590	20,288	100%	20,288
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2020	Residential	Approximately 50% of construction has been completed	66,262	133,187	51%	67,926
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2020	Residential	Approximately 45% of construction has been completed	55,481	73,455	51%	37,462
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guang'an, Sichuan Province	Dec/2021	Residential/ Commercial	Approximately 55% of construction has been completed	76,363	305,452	100%	305,452
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	May/2022	Residential/ Commercial	Approximately 45% of construction has been completed	46,885	204,457	51%	104,273
Wuhu Chungu Xi'an	Located in New City east of Chengdong, Fanchang County, Wuhu City, Anhui Province	May/2022	Residential	Approximately 55% of construction has been completed	64,607	89,794	100%	89,794
New project in Nanjing Pukou 2014GY04, 2016GY020	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Feb/2021	Industrial	Approximately 40% of construction has been completed	119,564	95,652	100%	95,652
Mingfa North Station Center	Located at Chahe Town, Laian, Anhui Province	Jun/2021	Residential/ Commercial	Approximately 65% of construction has been completed	69,757	383,664	100%	383,664
Mingfa North Station Villas	Located at Chahe Town, Laian, Anhui Province	Jun/2021	Residential	Approximately 85% of construction has been completed	66,350	132,699	100%	132,699
Hecheng Shoufu	Located at Liyang Town, Maanshan, Anhui Province	Jan/2021	Residential	Approximately 55% of construction has been completed	26,918	53,835	100%	53,835
Mingfa Huguangshanse Yihao stage one	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2021	Residential/ Commercial	Approximately 45% of construction has been completed	68,688	82,426	100%	82,426

# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Mingfa Huguangshanse Yihao stage two	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 45% of construction has been completed	63,674	76,409	100%	76,409
Jinzhai Yueshan Yuefu (Block no. 40, 41)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Jun/2021	Residential/ Commercial	Approximately 45% of construction has been completed	133,332	252,883	100%	252,883
New project in Nanjing Pukou G01	Located in Xinghuo Road Bus Station, Jiangbei New District, Nanjing, Jiangsu Province	Nov/2022	Commercial/ Office	Approximately 35% of construction has been completed	7,025	21,145	40%	8,458
Nanjing Mingrong Garden	Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province	Dec/2021	Commercial	Approximately 25% of construction has been completed	26,530	66,325	100%	66,325
New project in Nanjing Pukou G30	Located at Pukou north of Nanjing University of Technology, south along the mountain road	Dec/2021	Commercial	Approximately 25% of construction has been completed	32,843	59,117	100%	59,117
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Oct/2022	Residential	Approximately 35% of construction has been completed	156,691	282,044	100%	282,044
Mingfa Internet Industrial Park	Located at Xingyuan Road Zibo, Shandong Province	Oct/2022	Commercial	Approximately 25% of construction has been completed	67,156	100,735	100%	100,735
Siyang Mingfa Shoufu (Block 2013E1)	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2021	Residential/ Commercial	Approximately 35% of construction has been completed	103,972	519,861	70%	363,903
New project in Jinnihu TP201813-3	Located in east of Changxing Road and north of Nameless Road, Jinniu Lake New City, Tianchang, Anhui Province	Oct/2021	Residential/ Commercial	Approximately 65% of construction has been completed	48,073	96,145	100%	96,145
Xingyue City	Located in West Ring Road East, Zhongyang Avenue North, West City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2021	Residential/ Commercial	Approximately 35% of construction has been completed	102,069	255,171	70%	178,620



# Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Mingfa City Lights (JZ2B- GT-2018-37)	Located in Jinzhai Modern Industrial Park, Anhui Province	Mar/2021	Residential/ Commercial	Approximately 45% of construction has been completed	107,417	271,513	100%	271,513
Jurong Youjia Village	Located in Baohua Town, Jurong, Jiangsu Province	Apr/2021	Residential	Approximately 55% of construction has been completed	8,378	20,945	51%	10,682
Mingbo Yue City	Located at Bowang Town, Bowang District, Maanshan, Anhui Province	Nov/2021	Residential/ Commercial	Approximately 35% of construction has been completed	67,600	121,680	100%	121,680
Dingyuan Mingfa Shuiyun Taoyuan	Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province	Oct/2022	Residential	Approximately 35% of construction has been completed	69,333	138,666	100%	138,666
Shenyang Mingfa Square	Located in Shenbei Xinqiu Daoyi Development Zone, Liaoning Province	Jun/2021	Residential/ Commercial	Approximately 45% of construction has been completed	119,154	238,308	100%	238,308
Yangguang Qingcheng	Located at Rongcheng Town, Chizhou, Anhui Province	Apr/2022	Residential/ Commercial	Approximately 35% of construction has been completed	112,183	291,674	100%	291,674
Dingyuan Mingfa Wealth Center	Located at south of Qiliguang Avenue, Dingyuan Town, Chizhou, Anhui Province	Oct/2022	Commercial/ Office	Approximately 20% of construction has been completed	24,439	146,636	100%	146,636
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Road, Xinyi, Xuzhou, Jiangsu Province	Oct/2022	Commercial	Approximately 20% of construction has been completed	46,548	88,000	60%	52,800
Xinyi Mingfa Zhongyang Lake CBD	Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province	Jan/2023	Residential/ Commercial	Approximately 20% of construction has been completed	76,473	202,653	100%	202,653
Mingfa North Station Meiyuan	Located at Chahe Town, Laian, Anhui Province	Apr/2022	Residential/ Commercial	Approximately 20% of construction has been completed	64,377	141,429	100%	141,429
Hainan Mingfa Modern Service Industry Industrial Park	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Jan/2021	Industrial	Approximately 20% of construction has been completed	57,600	57,600	100%	57,600
Wanqiao Xiyuan	Located in Intersection of Zuiweng Road and Jingling Road, Chuzhou, Anhui Province	Sep/2021	Residential	Approximately 20% of construction has been completed	77,564	155,128	100%	155,128

# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Jan/2023	Residential/ Commercial	Approximately 20% of construction has been completed	37,676	75,352	100%	75,352
<b>Sub-total</b>					<b>7,654,916</b>	<b>15,295,719</b>		<b>14,480,866</b>

## Properties with land use rights certificate for future development *(Note 3)*

Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Jun/2021	Industrial	Vacant	41,434	103,585	100%	103,585
Lanzhou Mingfa Zhongke Ecological Park	Located in Weijia Village of Southwest, Gansu Province	Dec/2021	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan 54 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2021	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan 169 Block	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2021	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Young Street, Heping District, Shenyang, Liaoning Province	Dec/2021	Commercial	Vacant	5,468	54,677	100%	54,677
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2021	Residential	Vacant	235,526	423,948	100%	423,948
New project in Maanshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Industrial	Vacant	31,258	46,888	100%	46,888
New project in Maanshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Apr/2021	Residential/ Commercial/ Industrial	Vacant	123,223	211,755	100%	211,755
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road Jurong, Jiangsu Province	Aug/2022	Residential/ Commercial	Vacant	53,892	296,406	100%	296,406







## Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Maanshan, Anhui Province	May/2021	Residential	Vacant	108,972	108,972	100%	108,972
New project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Apr/2021	Commercial	Vacant	9,265	13,989	100%	13,989
New project in Fengxian (2016-30, 2016-32, 2016-33, 2016-34)	Located in West Ring Road East, Zhangyang Avenue North, West City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2022	Residential/ Commercial	Vacant	213,380	533,451	70%	373,415
Yangguang Qingcheng Block No. 2	Located at Qibuquan Road, Rongcheng Town, Qinggang County Chizhou, Anhui Province	Apr/2022	Residential/ Commercial	Vacant	52,388	136,207	100%	136,207
Nan'an Mingfa International Center	Located at Fuxi Community, Meilin Street, Quanzhou, Fujian Province	Aug/2023	Office	Vacant	22,288	133,728	100%	133,728
New project in Fengxian (2019-39)	Located in West Ring Road East, Zhangyang Avenue North, West City Road West, Fengxian, Xuzhou, Jiangsu Province	Mar/2023	Residential/ Commercial	Vacant	22,316	55,791	70%	39,054
New project in Zibo (2017 Zengliang — Chuzhong 009-01, 009-02)	Located in east of Shanghai Road East, Zhangdian District, Zibo, Shandong Province	Jan/2024	Residential/ Commercial	Vacant	9,325	39,165	100%	39,165
New project in Quanjiao Mingyuan	Located in west side of Jiaoling Avenue, south side of Qianfo'an Road, Xianghe Town, Quanjiao County, Chuzhou, Anhui Province	Jan/2023	Residential/ Commercial	Vacant	407,793	603,559	100%	603,559
Yangguang Qingcheng (Block No. 3)	Located at Qibuquan Road, Rongcheng Town, Qinggang County Chizhou, Anhui Province	Jan/2022	Residential/ Commercial	Vacant	57,269	105,947	100%	105,947
<b>Sub-total</b>					<b>2,795,403</b>	<b>4,311,422</b>		<b>3,462,474</b>

# Management Discussion and Analysis



Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Properties with signed land use rights contract for future development</b> <i>(Note 4)</i>								
Hong Six Highway Rebuilding Project	Located at Xixia Village, Hongjai Town, Nanan, Fujian Province	Dec/2022	Residential/ Commercial	Vacant	22,784	92,298	100%	92,298
Zhangzhou Mingfa Mall (2011G16, 2012G13, 2012G14 Phase 3)	Located in Bangshan Town, Kekeng Village, Longhai, zhangzhou, Fujian Province	Dec/2022	Residential	Vacant	105,188	315,564	100%	315,564
Kangyang Town	Located in Jiangjun Road, Jinzhai, Anhui Province	Sep/2021	Residential/ Commercial	Vacant	64,539	103,263	100%	103,263
New project in Hainan	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Jan/2021	Industrial	Vacant	53,369	53,369	100%	53,369
New project in Bazhong (2020-1-1-4-7) (Bazhong Chengshi)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	141,811	323,169	100%	323,169
New project in Bazhong (2020-1-2-4-6) (Bazhong Kangyang)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	154,082	385,206	100%	385,206
New project in Bazhong (2020-1-1-1-3) (Bazhong Shiye)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Hotel	Vacant	23,970	35,955	100%	35,955
New project in Bazhong (2020-1-2-1-3) (Bazhong Zhiye)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Commercial	Vacant	19,089	22,906	100%	22,906
Suining Mingfa Center (Block I, II)	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Feb/2023	Residential/ Commercial	Vacant	93,550	257,243	60%	154,346





## Management Discussion and Analysis

Property Name	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) <i>(Note 1)</i>	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Suining Mingfa Center (Block III)	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Feb/2023	Residential/ Commercial	Vacant	37,021	95,693	60%	57,416
New project in Yan'an E1-20	Located in Yan'an New Area, Yan'an, Shaanxi Province	Jun/2022	Residential/ Commercial	Vacant	79,116	379,757	100%	379,757
Yangguang Qingcheng (Block No. 4)	Located at Tianzhu Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Jan/2022	Residential/ Commercial	Vacant	37,552	75,104	100%	75,104
<b>Sub-total</b>					<b>832,071</b>	<b>2,139,527</b>		<b>1,998,353</b>
<b>Total</b>					<b>15,397,749</b>	<b>24,512,577</b>		<b>22,514,955</b>

### Notes:

- Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 30 June 2020.
- Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 30 June 2020.
- The site area is in respect of the whole property (regardless of GFA that had been sold).
- The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that had been sold/leased.

# Management Discussion and Analysis



## Summary of Properties held by the Group for Investment

The following table summarizes the details of the Group's major properties held for investment as at 30 June 2020:

Property Name	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Beijing Mingfa Shopping Mall	Located at Bizang Village, Daxing District, Beijing	Residential/ Commercial	62,018	3–10 years	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Commercial	70,742	20 years	100%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	157,353	15–20 years	100%
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	55,791	2–15 years	100%
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Commercial	1,334	3–5 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	72,112	3–9 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Commercial	135,436	10–15 years	100%





## Management Discussion and Analysis

Property Name	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	1,713	1–3 years	60%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	4,755	5 years	100%
Taizhou Mingfa International Mall	Located in Gaogang District, Taizhou, Jiangsu Province	Commercial	13,985	10 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	2,120	3 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao town, Huishan District, Wuxi, Jiangsu Province	Commercial	6,695	15–20years	70%
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming District, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	1,123	5–6 years	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	45,419	3 years	100%

# Management Discussion and Analysis



Property Name	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8–15 years	100%
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	113,212	8–20 years	70%–100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province	Industrial	62,131	18 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	58,890	15 years	100%
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Commercial	2,831	10 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xinpu Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,859	15.5 years	100%
<b>Total</b>			<b>1,094,199</b>		





## Management Discussion and Analysis

### ACQUISITION FRAMEWORK AGREEMENTS

As at 30 June 2020, the Group entered into 10 uncompleted memoranda of understanding (“**MOU(s)**”) with various local governmental bodies of the PRC after being approached by them in relation to various urban renewal and redevelopment programs in different cities and locations. All MOUs were signed before 2014. These MOUs are not legally-binding and there is no assurance that the Group will be granted the land use rights after signing of the MOUs. On the contrary, the MOUs only set out the parties’ intention of cooperation in future development of land and the Group still has to go through the public tender, auction or listing-for-sale procedures pursuant to the relevant PRC rules and regulations in order to obtain the land use rights from the PRC governmental authorities for such lands. Notwithstanding that, the Company considers these as opportunities for the Group to establish a closer strategic and working relationship with the relevant PRC governmental authorities which are in the interest and to the benefit of the Group in the long run. A summary of these MOUs and the related projects are listed as follows:

<b>Project Name</b>	<b>Location</b>	<b>Date of MOU</b>	<b>Site Area (sq.m.)</b>	<b>GFA (sq.m.)</b>	<b>(Notes)</b>
Huai’an Mingfa International Industrial Material Park and Mingfa International Town	Huai’an City, Jiangsu Province	28-Nov-07	666,670	1,180,219	(1)
Shenyang Creative Park	Shenyang City, Liaoning Province	28-Jan-10	912,005	2,000,000	(2)
Shenyang Residential and Commercial Complex Project	Shenyang City, Liaoning Province	28-Jan-10	142,800	714,000	(3)
Panjin Mingfa City Square	Panjin City, Liaoning Province	20-Oct-10	427,332	1,281,996	
Jiangsu Taizhou Mingfa City Complex Project	Taizhou City, Jiangsu Province	22-Dec-10	1,466,674	3,666,685	(4)
Shenyang Mingfa Integrated Science and Technology Park	Shenyang City, Liaoning Province	23-Sep-11	1,344,007	1,830,000	(5)
Nanjing Software Park Starting Area Project	Nanjing City, Jiangsu Province	14-Jan-12	220,001	800,000	

# Management Discussion and Analysis



Project Name	Location	Date of MOU	Site Area (sq.m.)	GFA (sq.m.)	(Notes)
Nanjing Zijin (Pukou) Technology Entrepreneurship Special Community 2# Block Project	Nanjing City, Jiangsu Province	9-Oct-12	200,001	800,000	
Nanjing Software Valley Technology City Project	Nanjing City, Jiangsu Province	6-Dec-12	106,667	373,335	(6)
Anhui Hexian Wujiang New Town	Maanshan City, Anhui Province	28-Apr-13	2,000,010	7,000,035	(7)
<b>Total</b>			<b>7,486,167</b>	<b>19,646,270</b>	

## Notes:

- (1) The Group had acquired 3 plots of land in 2010 and 2011 under the MOU signed on 28 November 2007. The land is located at Weihai East Road, Shenzhen South Road, and east of Guangzhou Road respectively in Huai'an. Total land area and GFA is approximately 184,455 sq.m. and approximately 420,370 sq.m. respectively.
- (2) The Group had acquired 1 plot of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 154,024 sq.m. and approximately 462,072 sq.m. respectively.
- (3) The Group had acquired 2 plots of land in 2010 under the MOU signed on 28 January 2010. The land is located in Shenbei Xinqu Daoyi Development Zone, Shenyang. Total land area and GFA is approximately 61,222 sq.m. and approximately 306,110 sq.m. respectively.
- (4) The Group had acquired 5 plots of land under the MOU signed on 22 December 2010. One plot of the land is located at west of Machang Zhonggou and south of Huangang Avenue in Taizhou and the other is located at east of Diaodong Zhonggou and south of Huangang Avenue in Taizhou. Total land area and GFA is approximately 529,526 sq.m. and approximately 832,637 sq.m. respectively.
- (5) The Group had acquired 2 plots of land under the MOU signed on 23 September 2011. The land is located at Zaohua Street, Guan Jia Village, Yuhong District, Liaoning Province. Total land area and GFA is approximately 235,526.47 sq.m. and approximately 423,947.63 sq.m. respectively.
- (6) The Group had acquired 1 plot of land under the MOU signed on 6 December 2012. The land is located at west of Software Park, Gaoxin District, Nanjing, Jiangsu Province. Total land area and GFA is approximately 11,244 sq.m. and approximately 67,465 sq.m. respectively.







## Management Discussion and Analysis

- (7) The Group had acquired 47 plots of land under the MOU signed on 28 April 2013. The land is located at New City, Mei Shan Town, Jinzhai Country, Hefei, Anhui Province. Total land area and GFA is approximately 1,401,143 sq.m. and approximately 3,770,826 sq.m. respectively.

### PROSPECT AND OUTLOOK

The Group continued to concentrate the property development in Yangtze Delta Area especially in Nanjing and certain cities in Anhui. The contracted sales for the first quarter 2020 was under-performed due to the outbreak of COVID-19. Local government had adopted more flexible policies to stabilize real estate market. Then, the sales performance starting from the second quarter became stable.

### CAPITAL STRUCTURE

As at 30 June 2020, the Group had aggregate cash and cash equivalents (excluding restricted cash) of approximately RMB3,117.2 million (31 December 2019: approximately RMB3,488.1 million). Restricted cash of the Group was RMB3.8 million (31 December 2019: approximately RMB103.3 million). Borrowings of the Group repayable within one year and after one year were approximately RMB5,068.9 million and RMB761.6 million respectively (31 December 2019: approximately RMB6,492.0 million and RMB560.4 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 30 June 2020.

For the six months ended 30 June 2020, total interest expenses including the capitalised interest costs amounted to approximately RMB296.0 million (corresponding period in 2019: RMB293.1 million), and RMB292.9 million of loan interest expenses was capitalised in 2020 (corresponding period in 2019: RMB290.8 million was capitalised).

Set out below are the major ratios of the Group:

	<b>As at 30 June 2020</b>	As at 30 June 2019
Gross profit margin	<b>30.7%</b>	30.8%
Operating profit margin	<b>20.8%</b>	21.3%
Net profit margin	<b>11.0%</b>	10.9%

# Management Discussion and Analysis



	<b>As at 30 June 2020</b>	As at 31 December 2019
Current ratio	<b>1.04</b>	1.02
Total liabilities to total assets	<b>76.7%</b>	78.0%
Bank loans and other borrowings to shareholders' funds	<b>37.2%</b>	47.3%
Non-current bank loans and other borrowings to total assets	<b>1.0%</b>	0.7%
Gearing ratio*	<b>13.4%</b>	17.2%

\* Defined as net debt (total borrowings less cash and cash equivalents and cash restricted for borrowings) divided by the sum of shareholders' funds and net debt.

The decrease in gearing ratio as at 30 June 2020 was mainly due to the decrease in borrowing of RMB1,221.9 million from RMB7,052.4 million as at 31 December 2019.

## PLEDGE OF ASSETS

As at 30 June 2020, investment properties of the Group with net book value of approximately RMB2,966.8 million (31 December 2019: approximately RMB2,320.0 million), buildings of approximately RMB457.8 million (31 December 2019: approximately RMB179.9 million), completed properties held for sale of approximately RMB3,562.2 million (31 December 2019: approximately RMB3,007.3 million), and properties under development of approximately RMB2,534.0 million (31 December 2019: approximately RMB754.6 million) were pledged as securities for borrowings of the Group. As at 30 June 2020, cash deposits of approximately RMB3.8 million (31 December 2019: RMB103.3 million) was restricted and deposited in certain banks as security for project construction.

## CAPITAL COMMITMENTS

As at 30 June 2020, the contracted capital commitments of the Group were approximately RMB9,270.1 million (31 December 2019: approximately RMB7,433.1 million), which were mainly the capital commitments for property development and acquisition of the land use rights. It is expected that the Group will finance such commitments from internally generated funds and resources.





## Management Discussion and Analysis

### GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2020, the contingent liabilities of the Group was approximately RMB13,959.0 million (31 December 2019: approximately RMB10,419.3 million), which were mainly the guarantees given by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties. Such guarantees will be released following completion of transfer of property title by the Group to the buyers. In addition, the Group provided guarantee for the bank loans granted to the associated companies and a joint venture.

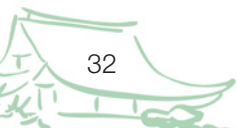
### FOREIGN EXCHANGE RISK

As at 30 June 2020, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, Hong Kong dollars and US dollars in the respective proportions of 99.6%, 0.2% and 0.2% (31 December 2019: Renminbi, Hong Kong dollars and US dollars accounted for 99.6%, 0.2% and 0.2% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, US dollars and New Taiwan dollars in respective proportions of 43.4%, 54.8% and 1.8% (31 December 2019: US dollars and New Taiwan dollars accounted for 97% and 3% respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2020 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars and US dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2020 as the hedging cost was comparable to the corresponding risk.

### INTEREST RATE RISK

As at 30 June 2020, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, Hong Kong dollars and US dollars, whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.





## FUNDING AND TREASURY POLICY

The Group utilizes cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to increase its land banks, to discharge its debt and to ensure the continuous growth of the Group's business.

## CREDIT POLICIES

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitors these deposits and advances to ensure actions are taken to recover these balances in the case of any risk of default.

## GUARANTEED BONDS DUE 2019

Reference is made to the Company's announcement dated 15 December 2016 (capitalized terms in this paragraph have the same meanings as those defined therein).

On 15 December 2016, the Company, together with the Guarantors, entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as the exclusive placing agent for the Company in relation to the issue by the Company and the placing on a private placement basis by the Placing Agent of the Bonds upon the terms and subject to the conditions set forth in the Placing Agreement. The Placing Agent shall use its best efforts to place and procure the subscribers to subscribe and pay for the Bonds with an aggregate principal amount of US\$60,000,000. Unless previously redeemed or purchased and cancelled by the Company, the Bonds will be redeemed at their principal amount on an Interest Payment Date in 2019. The net proceeds from the issue of the Bonds is approximately US\$58 million for general corporate purposes of the Group.

On first Closing Date, the Chargor entered into the Share Charge in favour of the Security Agent as agent of the Bondholders, whereby the Chargor, being the controlling shareholder of the Company, undertake with the Security Agent that it shall ensure that at all times the 1,000,000,000 Shares represent no less than 16.41% of the total issued capital of the Company.





## Management Discussion and Analysis

Pursuant to the terms of the Bonds, a change of control event occurs if (a) the Chargor ceases to be the controlling shareholder of the Company; or (b) the Personal Guarantors jointly cease to legally or beneficially own 100% of the total issued share capital of the Chargor from time to time; any Bondholder will have the right, at such Bondholder's option, to require the Company to redeem all, but not some only, of their Bonds at 100% of their principal amount together with accrued interest to (but excluding) the date of such early redemption.

The maturity date of the Guaranteed Bonds has been extended to 30 September 2020.

### **22% BONDS DUE 2020 IN AN AGGREGATE PRINCIPAL AMOUNT OF US\$176 MILLION ("2020 NOVEMBER BONDS")**

Reference is made to the Company's announcements dated 1 June 2020 and 8 June 2020 (capitalized terms in this paragraph have the same meanings as those defined therein).

On 1 June 2020, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as the exclusive placing agent for the Company in relation to issue by the Company and the placing on a private placement basis by the Placing Agent of the Bonds upon the terms and subject to the conditions set forth in the Placing Agreement.

The 2020 November Bonds was issued and listed on SGX-ST on 8 June 2020. The net proceeds from the issue of the Bonds was approximately US\$175 million for refinancing certain existing indebtedness of the Group and for general corporate purposes of the Group.

The 2020 November Bonds bear interest from 5 June 2020 at 22.0% per annum payable on 5 December 2020. The Bonds will mature on 5 December 2020.

Upon the occurrence of a Change of Control Event, any Bondholder will have the right, at such Bondholder's option, to require the Company to redeem all, but not some only, of their Bonds at 101% of their principal amount together with accrued interest to (but excluding) the date of such early redemption.

### **15% BONDS DUE 2021 IN AN AGGREGATE PRINCIPAL AMOUNT OF US\$220 MILLION ("2021 JANUARY BONDS")**

Reference is made to the Company's announcements dated 10 January 2020 and 20 January 2020 (capitalized terms in this paragraph have the same meanings as those defined therein).



# Management Discussion and Analysis



On 10 January 2020, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as the exclusive placing agent for the Company in relation to the issue by the Company and the placing on a private placement basis by the Placing Agent of the Bonds upon the terms and subject to the conditions set forth in the Placing Agreement.

The 2021 January Bonds was issued and listed on SGX-ST on 16 January 2020. The net proceeds from the issue of the Bonds was approximately US\$219 million for refinancing certain existing indebtedness of the Group and for general corporate purposes of the Group.

The 2021 January Bonds bear interest on the outstanding principal amount from and including the issue date at the rate of 15% per annum, payable semi-annually in arrears on 15 July 2020 and 13 January 2021.

Upon the occurrence of a Change of Control Event, any Bondholder will have the right, at such Bondholder's option, to require the Company to redeem all, but not some only, of their Bonds at 101% of their principal amount together with accrued interest to (but excluding) the date of such early redemption.

## SPECIFIC PERFORMANCE OF CONTROLLING SHAREHOLDER

Pursuant to the terms of the 2021 January Bonds and 2020 November Bonds, a change of control event occurs if Galaxy Earnest Limited, the controlling shareholder of the Company, ceases to be the controlling shareholder of the Company. Upon the occurrence of a change of control event, any holder of the 2021 January Bonds and 2020 November Bonds will have the right to require the Company to redeem all, but not some only, of such bonds at 101% of their principal amount together with accrued interest to (but excluding) the date of such early redemption.

## SUBSEQUENT EVENTS

Saved as the abovementioned, there was no matter between the balance sheet date (i.e. 30 June 2020) and the date of this report that would cause a material impact to the Group.





## Corporate Governance and Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2020, the total number of issued shares of the Company was 6,093,451,026 ordinary shares.

As at 30 June 2020, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company or The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), are listed as follows:

#### Associated Corporation — Galaxy Earnest Limited:

Name of Director	Nature of Interest	Total Number of Ordinary Shares in the Associated Corporation	Approximate Percentage of Interest in the Associated Corporation
Mr. Huang Qingzhu <sup>(Note 3)</sup>	Interest of a controlled corporation <sup>(Note 1)</sup>	1,650 shares	15.00%
Mr. Huang Lianchun <sup>(Note 4)</sup>	Interest of a controlled corporation <sup>(Note 2)</sup>	1,650 shares	15.00%

Notes:

- (1) The disclosed interest represents the interest in the associated corporation held by Gainday Holdings Limited, a company which is directly wholly-owned by Mr. Huang Qingzhu.
- (2) The disclosed interest represents the interest in the associated corporation held by Tin Sun Holdings Limited, a company which is directly wholly-owned by Mr. Huang Lianchun.
- (3) Mr. Huang Qingzhu resigned as executive Director and CEO of the Group effective 17 July 2020.
- (4) Mr. Huang Lianchun resigned as executive Director, COO and executive vice president of the Group effective 17 July 2020.

## Corporate Governance and Other Information



Save as disclosed above, as at 30 June 2020, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, the total issued share capital of the Company was 6,093,451,026 ordinary shares.

As at 30 June 2020, the interests or short position of those persons, other than the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company which has been disclosed to the Company pursuant to Part XV of the SFO, or which have been recorded in the register of interests required to be kept by the Company under section 336 of the SFO, are listed as follows:

Name	Nature of Interest	Total Number of Ordinary Shares <sup>(Note 1)</sup>	Approximate Percentage of Interest in the Company
Mr. Wong Wun Ming	Beneficial owner	13,500,000 shares (L)	0.22%
	Interest of a controlled corporation <sup>(Note 2)</sup>	5,086,500,000 shares (L)	83.47%
Ms. Chen Bihua	Interest of a spouse <sup>(Note 3)</sup>	5,100,000,000 shares (L)	83.70%
Galaxy Earnest Limited	Beneficial owner <sup>(Note 4)</sup>	5,086,500,000 shares (L)	83.47%
Haitong Securities Co., Ltd.	Interest of a controlled corporation <sup>(Note 5)</sup>	1,000,000,000 shares (L)	16.41%

Notes:

- (1) The letter "L" denotes a long position in the shares or underlying shares.
- (2) Mr. Wong Wun Ming is interested in 5,100,000,000 shares in the Company, comprising:
  - (a) 13,500,000 shares beneficially owned by him; and
  - (b) 5,086,500,000 shares held by Galaxy Earnest Limited. Galaxy Earnest Limited is owned as to 55% by Growing Group Limited, a company wholly-owned by Mr. Wong Wun Ming. Mr. Wong Wun Ming is therefore deemed to be interested in such 5,086,500,000 shares of the Company pursuant to the Securities and Futures Ordinance.







## Corporate Governance and Other Information

- (3) Ms. Chen Bihua is the spouse of Mr. Wong Wun Ming and is deemed to be interested in these shares of the Company in which Mr. Wong Wun Ming is interested in pursuant to the Securities and Futures Ordinance.
- (4) Galaxy Earnest Limited is owned (1) as to 15% by Gainday Holdings Limited, a company which is directly wholly-owned by Mr. Huang Qingzhu; and (2) as to 15% by Tin Sun Holdings Limited, a company which is directly wholly-owned by Mr. Huang Lianchun. Mr. Huang Qingzhu resigned as executive Director and CEO of the Group effective 17 July 2020 and Mr. Huang Lianchun resigned as executive Director, COO and executive vice president of the Group effective 17 July 2020.
- (5) Haitong Securities Co., Ltd. is deemed to be interested in the 1,000,000,000 shares in which Haitong International Securities Company Limited held as security agent for bondholders pursuant to a share charge executed by Galaxy Earnest Limited in favor of Haitong International Securities Company Limited, details of which are disclosed in the announcement of the Company dated 15 December 2016. Haitong International Securities Company Limited is wholly owned by Haitong International Finance Company Limited, a company wholly-owned by Haitong International (BVI) Limited, which is in turn wholly-owned by Haitong International Securities Group Limited. Haitong International Securities Group Limited is owned as to approximately 61.00% by Haitong International Holdings Limited, which is wholly-owned by Haitong Securities Co., Limited.

Save as disclosed above, as at 30 June 2020, no person, other than the Directors or chief executives of the Company, had any interest or short position in the shares, underlying shares and debentures of the Company which has been disclosed to the Company pursuant to Part XV of the SFO, or which have been recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

## HUMAN RESOURCES

As at 30 June 2020, the Group employed 3,176 staff (31 December 2019: 3,548 staff). The decrease in staff was mainly due to streamline the operations. For the six months ended 30 June 2020, the unaudited total staff costs of the Group including directors' emoluments were approximately RMB180.7 million (corresponding period in 2019: approximately RMB239.3 million), representing a decrease of 24.5%. The decrease was resulted from the drop in number of staff. The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan. The Group provided various training opportunities to employees in order to enhance the competitiveness of the employees and the Company, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once





every year for its employees, the results of which will be applied in annual salary review for considering the grant of annual bonus or not and in promotion assessment. The Group also studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

### DIVIDEND POLICY

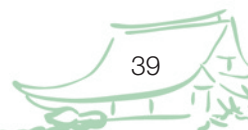
The Board approved and adopted a dividend policy on 9 July 2019 which sets out the approach in deciding whether to propose a dividend and in determining the dividend amount, with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the articles of association of the Company. The Company may in its full discretion decide not to declare dividend due to various reasons, including but not limited to maintaining or adjusting the capital structure and reserving more capital to capture opportunities.

The declaration and payment of future dividend under this policy are subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, the following factors, inter alia:

- (a) the Company's operating results, actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;





## Corporate Governance and Other Information

- (f) the Group's actual and future operations and liquidity position;
- (g) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factors that the Board deems appropriate and relevant.

### SIGNIFICANT INVESTMENTS

Save as those disclosed under the section headed "MANAGEMENT DISCUSSION AND ANALYSIS", the Group did not have any significant investments during the six months ended 30 June 2020.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2020, the Company redeemed:

- the bonds with principal amount of US\$220,000,000 on 1 June 2020 which were issued on 12 May 2017; and
- the bonds with principal amount of US\$200,000,000 on 14 January 2020 which were issued on 16 January 2019.

Save for the abovementioned, there was no purchase, sale or redemption by the Company of listed securities of the Company during the six months ended 30 June 2020.

### MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries during the six months ended 30 June 2020.

### CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. Throughout the six months ended 30 June 2020, the Company had complied with all code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules except for the following deviation:





### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the directors' securities transactions on terms no less than the required standard set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiries of with Directors, all Directors have confirmed that they had complied with the required standards set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions for the six months ended 30 June 2020.

### DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTOR(S)

Pursuant to rule 13.51B(1) of the Listing Rules, the changes of information of Director(s) are as follows:

Dr. Lam, Lee G. was appointed as an independent non-executive director of Greenland Hong Kong Holdings Limited (stock code: 337) effective 13 March 2020 and was a non-executive director of China Shandong Hi-Speed Financial Group Limited (stock code: 412) from 10 January 2017 to 14 May 2020, both of which are listed on the Stock Exchange.

### AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") consists of three independent non-executive Directors, namely Mr. Chu Kin Wang Peleus (the chairperson of the Audit Committee), Mr. Lau Kin Hon and Mr. Chan Sing Lai. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the interim results and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020.

On behalf of the Board

**LAM, Lee G.**

*Chairman*

28 August 2020





## Condensed Consolidated Interim Statement of Profit or Loss

For the six months ended 30 June 2020

	Notes	30 June 2020 RMB'000 (Unaudited)	30 June 2019 RMB'000 (Unaudited)
<b>Revenues</b>	4	<b>7,691,877</b>	4,118,868
Cost of sales		<b>(5,333,981)</b>	(2,849,817)
<b>Gross profit</b>		<b>2,357,896</b>	1,269,051
Fair value gains on investment properties		<b>7,039</b>	219,991
Other income and other losses	13	<b>(101,030)</b>	(37,928)
Net impairment loss on financial assets		<b>(46,214)</b>	(44,137)
Selling and marketing costs		<b>(339,013)</b>	(225,638)
General and administrative expenses		<b>(275,602)</b>	(304,222)
<b>Operating profit</b>		<b>1,603,076</b>	877,117
Finance income	15	<b>19,655</b>	50,331
Finance costs	15	<b>(3,082)</b>	(2,302)
Finance income — net	15	<b>16,573</b>	48,029
Share of results of			
— Associated companies		<b>(64,233)</b>	(7,407)
— Joint ventures		<b>59,301</b>	4,884
		<b>(4,932)</b>	(2,523)
<b>Profit before income tax</b>	14	<b>1,614,717</b>	922,623
Income tax expense	16	<b>(767,260)</b>	(472,752)
<b>Profit for the period</b>		<b>847,457</b>	449,871
<b>Attributable to:</b>			
Equity holders of the Company		<b>752,878</b>	418,255
Non-controlling interests		<b>94,579</b>	31,616
		<b>847,457</b>	449,871
<b>Earnings per share for profit attributable to equity holders of the Company (RMB cents)</b>			
— Basic	18	<b>12.4</b>	6.9
— Diluted	18	<b>12.4</b>	6.9



# Condensed Consolidated Interim Statement of Other Comprehensive Income

For the six months ended 30 June 2020



	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>847,457</b>	449,871
<b>Other comprehensive income</b> <i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	<b>(6,757)</b>	2,593
<b>Total comprehensive income for the period</b>	<b>840,700</b>	452,464
<b>Attributable to</b>		
Equity holders of the Company	<b>746,121</b>	420,848
Non-controlling interests	<b>94,579</b>	31,616
	<b>840,700</b>	452,464





# Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,111,204	3,310,647
Investment properties		11,341,622	11,334,622
Goodwill		7,169	7,169
Investments in associated companies		1,860,636	1,924,870
Investments in joint ventures		2,054,873	1,995,572
Deferred income tax assets		599,265	578,935
Other financial assets	6	40,550	40,550
Other receivables	7	14,293	14,527
Prepayments for land use rights	5	786,600	884,364
		<b>19,816,212</b>	20,091,256
<b>Current assets</b>			
Properties under development		28,115,443	28,801,437
Completed properties held for sale		16,907,802	16,735,331
Inventories		51,918	43,992
Trade and other receivables and prepayments	7	4,515,979	4,356,715
Contract costs	7	198,945	312,788
Prepaid income taxes		379,510	296,958
Amounts due from related parties, joint ventures and associated companies		947,298	950,118
Amounts due from non-controlling interests		1,300,445	545,512
Restricted cash	8	3,801	103,254
Cash and cash equivalents		3,117,232	3,488,059
		<b>55,538,373</b>	55,634,164
<b>Total assets</b>		<b>75,354,585</b>	75,725,420



# Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2020



	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	17,810,698	16,011,400
Contract liabilities		19,439,365	22,293,816
Amounts due to related parties, joint ventures and associated companies		7,488,830	6,129,643
Amounts due to non-controlling interests		898,849	1,168,589
Income tax payable		2,621,558	2,402,962
Borrowings	10	5,068,865	6,491,985
Lease liabilities		54,367	56,789
		<b>53,382,532</b>	54,555,184
<b>Net current assets</b>		<b>2,155,841</b>	1,078,980
<b>Total assets less current liabilities</b>		<b>21,972,053</b>	21,170,236
<b>Non-current liabilities</b>			
Deferred government grants		1,105,311	1,458,041
Borrowings	10	761,613	560,406
Deferred income tax liabilities		2,527,226	2,405,032
Lease liabilities		35,737	62,291
		<b>4,429,887</b>	4,485,770
<b>Total liabilities</b>		<b>57,812,419</b>	59,040,954
<b>Net assets</b>		<b>17,542,166</b>	16,684,466
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	9	536,281	536,281
Reserves		15,134,242	14,388,121
		<b>15,670,523</b>	14,924,402
<b>Non-controlling interests</b>		<b>1,871,643</b>	1,760,064
<b>Total equity</b>		<b>17,542,166</b>	16,684,466







# Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2020

	Capital and reserves attributable to equity holders of the Company		Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Reserves RMB'000		
<b>Balance at 1 January 2019 (audited)</b>	536,281	13,422,882	1,328,650	15,287,813
<b>Comprehensive income</b>				
Profit for the period	—	418,255	31,616	449,871
Other comprehensive income				
— Currency translation differences	—	2,593	—	2,593
<b>Total Comprehensive income for the period</b>	—	420,848	31,616	452,464
<b>Transactions with owners</b>				
Capital injection to subsidiaries by non-controlling interests	—	—	252,102	252,102
<b>Balance at 30 June 2019 (unaudited)</b>	536,281	13,843,730	1,612,368	15,992,379
<b>Balance at 1 January 2020 (audited)</b>	<b>536,281</b>	<b>14,388,121</b>	<b>1,760,064</b>	<b>16,684,466</b>
<b>Comprehensive income</b>				
Profit for the period	—	752,878	94,579	847,457
Other comprehensive income				
— Currency translation differences	—	(6,757)	—	(6,757)
<b>Total comprehensive income for the period</b>	—	746,121	94,579	840,700
<b>Transactions with owners</b>				
Capital injection to subsidiaries by non-controlling interests	—	—	17,000	17,000
<b>Balance at 30 June 2020 (unaudited)</b>	<b>536,281</b>	<b>15,134,242</b>	<b>1,871,643</b>	<b>17,542,166</b>





## Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2020

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Net cash generated from operating activities	<b>824,395</b>	1,466,914
Net cash (used in)/generated from investing activities	<b>(670,543)</b>	34,116
Net cash used in financing activities	<b>(511,685)</b>	(2,426,791)
Effect of foreign exchange rate changes on cash	<b>(12,994)</b>	13,627
Net decrease in cash and cash equivalents	<b>(370,827)</b>	(912,134)
Cash and cash equivalents at beginning of the period	<b>3,488,059</b>	5,263,380
Cash and cash equivalents at end of the period	<b>3,117,232</b>	4,351,246





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 1 GENERAL INFORMATION

Mingfa Group (International) Company Limited (the “Company”) was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “Group”) are property development, property investment and hotel operation in the People’s Republic of China (the “PRC”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 November 2009. Its immediate and ultimate holding company is Galaxy Earnest Limited (incorporated in the British Virgin Islands).

The condensed consolidated interim financial statements are presented in thousands of Renminbi (RMB’000), unless otherwise stated.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2020 are prepared under the historical cost convention, as modified by the revaluation of investment properties and other financial assets which are carried at fair value, and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).





# Notes to the Condensed Consolidated Interim Financial Statements

*For the six months ended 30 June 2020*

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Basis of preparation (Continued)**

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

These condensed consolidated interim financial statements have not been audited.

### **Adoption of new and revised standards**

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- Conceptual Framework for Financial Reporting (Revised)
- Amendment to HKERS 3: Definition of a Business
- Amendment to HKFRS 7, HKFRS 9 and HKAS 39: Interest Rate Benchmark Reform
- Amendment to HKAS 1 and HKAS 8: Definition of Material





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Company for the year ended 31 December 2019.

## 4 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

As majority of the Group's consolidated revenue and results are attributable to the market in the PRC and most of the Group's consolidated assets are located in the PRC, therefore no geographical information is presented.

The CODM assesses the performance of the operating segments based on a measure of revenue and operating profit. The information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information

The unaudited segment results for the six months ended 30 June 2020 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and Management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenues	83,033	7,219,373	67,927	182,359	141,726	—	7,694,418
Inter-segment revenues	—	—	(2,541)	—	—	—	(2,541)
Revenues	83,033	7,219,373	65,386	182,359	141,726	—	7,691,877
Operating profit/(loss)	20,198	1,602,371	(24,345)	105,213	(100,361)	—	1,603,076
Finance income — net							16,573
Share of results of associated companies	—	(1,555)	—	(25,615)	(37,063)	—	(64,233)
Share of results of joint ventures	—	23,531	—	35,770	—	—	59,301
Profit before income tax							1,614,717
Income tax expense							(767,260)
Profit for the period							847,457
Other segment information							
Capital and property development expenditure	173,781	582,731	4,652	34	151,208	—	912,406
Depreciation of property, plant and equipment	12,654	58,106	3,892	235	344	—	75,231
Depreciation of right-of-use assets under properties under development	—	24,352	—	—	—	—	24,352
Fair value gains on investment properties	—	—	—	7,039	—	—	7,039



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information (Continued)

The unaudited segment assets and liabilities as at 30 June 2020 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and Management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	2,598,701	90,559,023	1,818,756	12,807,055	19,740,690	(57,104,474)	70,419,751
Associated companies	—	871,024	—	1,137,758	(148,146)	—	1,860,636
Joint ventures	—	106,894	—	1,947,979	—	—	2,054,873
	2,598,701	91,536,941	1,818,756	15,892,792	19,592,544	(57,104,474)	74,335,260
Unallocated:							
Deferred income tax assets							599,265
Prepaid income taxes							379,510
Other financial assets							40,550
Total assets							75,354,585
Segment liabilities	2,080,395	73,333,581	376,954	8,519,637	19,627,064	(57,104,474)	46,833,157
Unallocated:							
Deferred income tax liabilities							2,527,226
Borrowings							5,830,478
Income tax payable							2,621,558
Total liabilities							57,812,419



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information (Continued)

The unaudited segment results for the six months ended 30 June 2019 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and Management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenues	363,344	3,494,321	111,398	149,549	1,661	—	4,120,273
Inter-segment revenues	—	—	(1,405)	—	—	—	(1,405)
Revenues	363,344	3,494,321	109,993	149,549	1,661	—	4,118,868
Operating profit/(loss)	97,333	415,126	(15,088)	422,431	(42,685)	—	877,117
Finance income — net							48,029
Share of results of associated companies	(116)	(1,903)	—	23,791	(29,179)	—	(7,407)
Share of results of joint ventures	—	(764)	—	5,648	—	—	4,884
Profit before income tax							922,623
Income tax expense							(472,752)
Profit for the period							449,871
Other segment information							
Capital and property development expenditure	778,405	1,215,326	43,649	476,350	2,562	—	2,516,292
Depreciation of property, plant and equipment	10,522	26,169	19,427	1,785	320	—	58,223
Depreciation of right-of-use assets under properties under development	—	23,581	—	—	—	—	23,581
Fair value gains on investment properties	—	—	—	219,991	—	—	219,991





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information (Continued)

The audited segment assets and liabilities as at 31 December 2019 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and Management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	4,333,797	89,736,973	1,927,268	12,988,760	16,686,199	(54,784,462)	70,888,535
Associated companies	64	870,684	—	1,161,220	(107,098)	—	1,924,870
Joint ventures	163	48,535	—	1,946,874	—	—	1,995,572
	4,334,024	90,656,192	1,927,268	16,096,854	16,579,101	(54,784,462)	74,808,977
Unallocated:							
Deferred income tax assets							578,935
Prepaid income taxes							296,958
Other financial assets							40,550
Total assets							75,725,420
Segment liabilities	4,315,984	72,204,045	330,701	8,473,644	16,640,657	(54,784,462)	47,180,569
Unallocated:							
Deferred income tax liabilities							2,405,032
Borrowings							7,052,391
Income tax payable							2,402,962
Total liabilities							59,040,954



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (b) Revenues

Turnover of the Group consists of the following revenues recognised during the period:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development — commercial	<b>83,033</b>	363,344
• Property development — residential	<b>7,219,373</b>	3,494,321
• Hotel	<b>65,386</b>	109,993
• Property investment and management — property management fee income	<b>43,970</b>	34,261
• All other segments	<b>141,726</b>	1,661
	<b>7,553,488</b>	4,003,580
Revenue from other sources		
• Property investment and management — rental income	<b>138,389</b>	115,288
	<b>7,691,877</b>	4,118,868

## 5 PREPAYMENTS FOR LAND USE RIGHTS

The Group had made prepayments for acquisition of certain land use rights, the ownership certificates of which have not been obtained as at the end of reporting period.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 6 OTHER FINANCIAL ASSETS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Opening and ending balance	<b>40,550</b>	40,550
Less: Non-current portion	<b>(40,550)</b>	(40,550)
Current portion	—	—
Equity investments measured at fair value through profit or loss		
— Non-current		
Unlisted equity shares ( <i>Note</i> )	<b>40,550</b>	40,550
	<b>40,550</b>	40,550

*Note:*

Other financial assets represented unlisted equity investment of 10% in PRC shareholding limited company engaging in micro-lending businesses and are stated at fair value. There is no significant change in fair value of the financial assets for the six months ended 30 June 2020 and the year ended 31 December 2019 from the investment cost.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Trade receivables	<b>593,788</b>	445,546
Less: Provision for impairment of trade receivables <i>(Note (a))</i>	<b>(259,668)</b>	(186,594)
Trade receivables — net <i>(Note (b))</i>	<b>334,120</b>	258,952
Other receivables and prepayment	<b>4,196,152</b>	4,112,290
	<b>4,530,272</b>	4,371,242
Less: Non-current portion of other receivables <i>(Note (c))</i>	<b>(14,293)</b>	(14,527)
Current portion	<b>4,515,979</b>	4,356,715
Contract costs	<b>198,945</b>	312,788

As at 30 June 2020 and 31 December 2019, the fair values of trade receivables and other receivables and prepayments approximate their carrying amounts.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS (Continued)

Notes:

- (a) Movement in provision for impairment of trade receivables is as follows:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Opening balance	<b>186,594</b>	164,628
Net impairment loss recognised during the period	<b>73,074</b>	21,966
As at 30 June 2020	<b>259,668</b>	186,594

- (b) Trade receivables mainly arose from leases of investment properties and property construction. Proceeds in respect of properties sold and leased and property construction are to be received in accordance with the terms of the related sales and purchase agreements, lease agreements and construction agreement.

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoices dates, as of the end of the period is as follows:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Within 90 days	<b>64,336</b>	53,542
Over 90 days and within 1 year	<b>117,020</b>	103,978
Over 1 year and within 2 years	<b>81,887</b>	51,462
Over 2 years	<b>70,877</b>	49,970
	<b>334,120</b>	258,952

- (c) The non-current portion of other receivables represents the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 8 RESTRICTED CASH

As at 30 June 2020, the Group's cash of approximately RMB3,801,000 (31 December 2019: RMB103,254,000) was restricted and deposited in certain banks as security for certain borrowings.

## 9 SHARE CAPITAL

Details of share capital of the Company are as follows:

	Par value HK\$	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent RMB
Authorised:				
At 1 January 2019, 31 December 2019 and 30 June 2020	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 1 January 2019, 31 December 2019 and 30 June 2020	0.1	6,093,451,026	609,345,103	536,280,877





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 10 BORROWINGS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Borrowings included in non-current liabilities		
Bank borrowings — secured	<b>1,819,669</b>	2,965,625
Bonds	<b>353,975</b>	—
	<b>2,173,644</b>	2,965,625
Less: Amounts due within one year	<b>(1,412,031)</b>	(2,405,219)
	<b>761,613</b>	560,406
Borrowings included in current liabilities		
Bank borrowings — secured	<b>617,500</b>	772,100
Other borrowings — guaranteed and secured	<b>236,334</b>	—
Current portion of long-term borrowings	<b>1,412,031</b>	2,405,219
Bonds	<b>2,803,000</b>	3,314,666
	<b>5,068,865</b>	6,491,985





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 11 PLEDGED ASSETS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Completed properties held for sale	<b>3,562,241</b>	3,007,349
Property, plant and equipment	<b>457,840</b>	179,860
Properties under development	<b>2,533,996</b>	754,657
Land use rights under properties under development	<b>2,912,975</b>	1,918,046
Investment properties	<b>2,966,800</b>	2,320,000
Restricted cash	<b>3,801</b>	103,254
	<b>12,437,653</b>	8,283,166

## 12 TRADE AND OTHER PAYABLES

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Trade payables ( <i>Note</i> )	<b>11,770,704</b>	11,642,929
Other payables	<b>5,785,603</b>	4,115,601
Other taxes payable	<b>254,391</b>	252,870
	<b>17,810,698</b>	16,011,400







# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 12 TRADE AND OTHER PAYABLES (Continued)

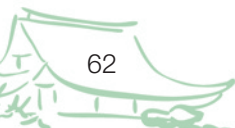
Note:

The ageing analysis of trade payables, based on invoice dates, as of the end of the period is as follows:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Within 90 days	<b>8,849,254</b>	8,636,311
Over 90 days and within 1 year	<b>1,265,200</b>	1,439,178
Over 1 year	<b>1,656,250</b>	1,567,440
	<b>11,770,704</b>	11,642,929

## 13 OTHER INCOME AND OTHER LOSSES

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Government grants	<b>1,929</b>	—
Net exchange losses	<b>(87,148)</b>	(12,315)
Miscellaneous	<b>(15,811)</b>	(25,613)
	<b>(101,030)</b>	(37,928)



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020



## 14 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging the following:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Staff costs — including directors' emoluments	<b>180,697</b>	239,265
Auditor's remuneration	<b>2,400</b>	2,400
Charitable donations	<b>481</b>	3,895
Depreciation of property, plant and equipment	<b>75,231</b>	58,223
Depreciation of right-of-use assets under properties under development	<b>24,352</b>	—
Amortisation of land use rights	<b>—</b>	23,581
Cost of properties sold	<b>5,022,875</b>	2,636,784
Business tax and other levies on sales and construction of properties	<b>25,433</b>	30,290
Direct outgoings arising from investment properties that generate rental income	<b>90,856</b>	87,656
Short-term lease expenses	<b>8,462</b>	9,235
Hotel operating expenses	<b>54,119</b>	81,594





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 15 FINANCE INCOME AND COSTS

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Finance income		
— interest income on bank deposits and loan to a related party	<b>19,655</b>	50,331
Interest expenses on borrowings	<b>292,922</b>	290,829
Interest expense on lease liabilities	<b>3,082</b>	2,302
Less: Interest capitalised	<b>(292,922)</b>	(290,829)
Finance costs	<b>(3,082)</b>	(2,302)
Net finance income	<b>16,573</b>	48,029

## 16 INCOME TAX EXPENSE

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Current income tax		
— PRC enterprise income tax	<b>358,026</b>	126,693
— PRC land appreciation tax	<b>303,890</b>	278,474
	<b>661,916</b>	405,167
Deferred income tax		
— PRC enterprise income tax	<b>(10,377)</b>	27,014
— PRC withholding income tax	<b>115,721</b>	40,571
	<b>105,344</b>	67,585
	<b>767,260</b>	472,752





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 16 INCOME TAX EXPENSE (Continued)

### (a) Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profit in Hong Kong during the six months ended 30 June 2020 (2019: Nil).

Under two-tiered profits tax regime, the first HKD2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%.

### (b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2019: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

### (c) PRC land appreciation tax

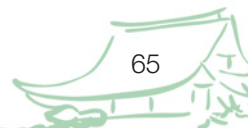
PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

### (d) PRC withholding income tax

According to the Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

## 17 DIVIDENDS

The Board does not recommend payment of interim dividend for the six months ended 30 June 2020 (2019: Nil).





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 18 EARNINGS PER SHARE

### Basic and diluted

Basic earnings per share for the six months ended 30 June 2020 and 2019 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

As there were no dilutive options and other dilutive potential shares in issue during the six months ended 30 June 2020 and 2019, and the Company's shares were suspended for trading on Stock Exchange, diluted earnings per share is same as basic earnings per share.

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	<b>752,878</b>	418,255
Weighted average number of ordinary shares in issue (thousands)	<b>6,093,451</b>	6,093,451
Basic and diluted earnings per share (RMB cents)	<b>12.4</b>	6.9





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 19 CONTINGENT LIABILITIES

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties ( <i>Note (a)</i> )	<b>12,235,774</b>	8,833,084
Guarantees in respect of banking facilities granted to associated companies ( <i>Note (b)</i> )	<b>1,249,050</b>	1,235,000
Guarantees in respect of banking facilities granted to a joint venture ( <i>Note (c)</i> )	<b>474,133</b>	351,224
	<b>13,958,957</b>	10,419,308

Notes:

- (a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the Group obtained the "property title certificate" for the mortgagees, or when the Group obtained the "master property title certificate". The directors of the Company consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 19 CONTINGENT LIABILITIES (Continued)

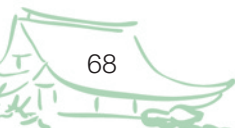
Notes: (Continued)

- (b) As at 30 June 2020 and 31 December 2019, the Group provided guarantees of the following amounts in respect of bank borrowings to its associated companies:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Nanjing Software Valley Qichuang Communication Technology Co., Ltd	<b>1,249,050</b>	1,235,000

- (c) As at 30 June 2020 and 31 December 2019, the Group provided guarantee of the following amount in respect of bank borrowing to a joint venture:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Superb Land Limited ("Superb Land")	<b>474,133</b>	351,224





# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 20 COMMITMENTS

Commitments for capital and property development expenditure

	<b>30 June 2020 RMB'000 (Unaudited)</b>	31 December 2019 RMB'000 (Audited)
Contracted but not provided for		
— Properties being developed by the Group for sale	<b>8,819,302</b>	6,941,077
— Land use rights	<b>450,804</b>	492,025
	<b>9,270,106</b>	7,433,102

## 21 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

Other than those disclosed elsewhere in these condensed consolidated interim financial statements, the Group had entered into the following major related party transactions:

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Interest income from loan to Superb Land, a joint venture	<b>4,436</b>	3,004
Commission fee paid to a non-controlling interest	<b>2,819</b>	—







# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

## 21 RELATED PARTY TRANSACTIONS (Continued)

### (b) Key management compensation

	<b>30 June 2020 RMB'000 (Unaudited)</b>	30 June 2019 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	<b>4,016</b>	3,333
Retirement scheme contributions	<b>30</b>	36
	<b>4,046</b>	3,369

## 22 APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements for the six months ended 30 June 2020 were approved and authorised for issue by the board of directors of the Company on 28 August 2020.

