



**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



**2021**  
**INTERIM REPORT**







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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Liu Yuwei

*(re-appointed on 4 June 2021)*

Mr. Ng Man Fung Walter

Mr. Zhong Xiaoming

#### Non-Executive Director

Dr. Lam, Lee G. *(Chairman)*

*(re-appointed on 4 June 2021)*

#### 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

### NOMINATION COMMITTEE

Mr. Chan Sing Lai

*(chairperson of the committee)*

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

### RISK MANAGEMENT COMMITTEE

Mr. Chan Sing Lai

*(chairperson of the committee)*

Mr. Lau Kin Hon

Mr. Chu Kin Wang Peleus

### AUTHORISED REPRESENTATIVES

Mr. Ng Man Fung Walter

Mr. Poon Wing Chuen *(FCCA)*

### REGISTERED OFFICE

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

## Corporate Information



### 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  
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		
	2021	2020	Percentage of increase
Revenue ( <i>RMB million</i> )	<b>9,688.0</b>	7,691.9	26.0%
Profit attributable to equity holders of the Company ( <i>RMB million</i> )	<b>1,205.0</b>	752.9	60.0%
Basic and diluted earnings per share ( <i>RMB cents</i> )	<b>19.8</b>	12.4	59.7%

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 2021 together with comparative amounts for the corresponding period in 2020.

## Management Discussion and Analysis



### RESULTS

The unaudited consolidated revenue of the Group increased by 26.0% to approximately RMB9,688.0 million (corresponding period in 2020: approximately RMB7,691.9 million) for the six months ended 30 June 2021.

During the period under review, the unaudited consolidated profit attributable to equity holders of the Company was approximately RMB1,205.0 million (corresponding period in 2020: approximately RMB752.9 million), representing an increase of 60.0% compared to the corresponding period in 2020.

The unaudited basic and diluted earnings per share were RMB19.8 cents for the six months ended 30 June 2021 (corresponding period in 2020: RMB12.4 cents), representing an increase of 59.7% compared to the corresponding period in 2020.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2021 (30 June 2020: Nil).

### INDUSTRY REVIEW

The continuous outbreak of COVID-19 had negative impact on the global economy in 2021. It is uncertain when the global economy will rebound. The PRC government imposed the strict and effective policies to control the spread. The GDP increased for 2.3% in 2020 and expect to grow for 8.4% in 2021.

The PRC government reiterated that residential properties should be used as dwellings instead of speculative investment. Austerity fiscal and monetary policies have been imposed in real estate sectors so as to control the gearing ratio of the developers. Additional bank loans will not be granted if the developers exceed certain financial ratios. These measures will be beneficial to the long-term development of the real estate market.

### BUSINESS REVIEW

#### Sales and Earnings

The unaudited consolidated revenue for the six months ended 30 June 2021 was approximately RMB9,688.0 million (corresponding period in 2020: approximately RMB7,691.9 million), representing an increase of 26.0%. The increase in revenue was due to the increase in GFA delivered to the buyers from 930,017 sq.m. for the six months ended 30 June 2020 to 1,083,385 sq.m. for the six months ended 30 June 2021.

The unaudited consolidated gross profit for the six months ended 30 June 2021 was approximately RMB3,232.2 million (corresponding period in 2020: approximately RMB2,357.9 million), representing an increase of 37.1% which was mainly due to the increase in revenue.



## Management Discussion and Analysis

Fair value gains on investment properties increased by 10.7 times to approximately RMB82.5 million (corresponding period in 2020: approximately RMB7.0 million). The increase in valuation was mainly due to the significant increase in monthly rent resulted from the change of tenants in Xiamen.

Net other income of approximately RMB36.8 million was incurred for the six months ended 30 June 2021 (corresponding period in 2020: net other losses of approximately RMB101.0 million). Such changes was mainly due to the increase in exchange gain arisen from currency translation of the offshore loans nominated in USD in 2021.

Selling and marketing costs were approximately RMB458.4 million for the six months ended 30 June 2021, representing an increase of 35.2% over 2020 (corresponding period in 2020: approximately RMB339.0 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 RMB375.6 million for the six months ended 30 June 2021, representing an increase of 36.3% over 2020 (corresponding period in 2020: approximately RMB275.6 million). The increase was mainly due to the depreciation for the new hotels and the handling charges for the bond issuance.

Interest expenses on borrowings including capitalised interest decreased by 26.7% to approximately RMB214.8 million (corresponding period in 2020: approximately RMB292.9 million). The decrease was mainly due to the drop in borrowing from RMB5,830.5 million as at 30 June 2020 to RMB4,008.6 million as at 30 June 2021.

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 2021 was approximately RMB1,205.0 million (corresponding period in 2020: approximately RMB752.9 million), representing an increase of 60.0% from the corresponding period in 2020.

Regarding the recognised sales for the six months ended 30 June 2021, the average selling price (“**ASP**”) per square metre (“**sq.m.**”) achieved by the Group was RMB8,448.3 per sq.m., representing an increase of 7.6% from RMB7,851.9 per sq.m. for the corresponding period in 2020. The increase in ASP for the six months ended 30 June 2021 was mainly due to more properties in Nanjing with higher ASP delivered in 2021.





## Management Discussion and Analysis



### Contracted Sales

In the first half of 2021, the Group achieved contracted sales of approximately RMB6,616.6 million (corresponding period in 2020: approximately RMB4,322.4 million). The ASP for the contracted sales had decreased by 8.0% to RMB7,554.0 per sq.m. during the period under review (corresponding period in 2020: approximately RMB8,211.0 per sq.m.).

### Segment Information

Revenue generated from various segments are analyzed as follows:

For the six months ended	Commercial Properties RMB'million	Residential Properties RMB'million	Properties Investment and Management Income RMB'million	Hotel RMB'million	Others RMB'million	Total RMB'million
<b>30 June 2021</b>	<b>217.6</b>	<b>8,935.2</b>	<b>233.2</b>	<b>132.0</b>	<b>170.0</b>	<b>9,688.0</b>
30 June 2020	83.0	7,219.4	182.4	65.4	141.7	7,691.9

Revenue from the properties sector contributed 94.5% in total to the Group's revenue. Revenue from the commercial sector increased by 162.2% which was primarily due to more commercial properties delivered in Zhongao Town Building in Xiamen in 2021. Revenue generated from the residential properties sector increased for 23.8% for first 6 months ended 30 June 2021 as compared to the corresponding period in 2020. The main reason for such increase in revenue generated from residential properties was mainly due to more GFA delivered from 923,179.9 sq.m. in 2020 to 1,067,559.9 in 2021.

Revenue from the properties investment and management sector increased by 27.9%, which was mainly due to the increase in GFA of rented properties and regular rental review.

Revenue generated from the hotel sector increased by 101.8% was mainly due to the increase in occupancy rate for 6 months ended 30 June 2021 as COVID-19 infection became controllable.

Revenue generated from other sector increased by 20.0% which was mainly due to the construction income generated from Qingyang project.



## Management Discussion and Analysis

### Pre-sold Properties

As at 30 June 2021, the attributable GFA of pre-sold properties not yet delivered to the buyers was 2,411,057 sq.m. (as at 31 December 2020: 2,583,000 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 Shoppng Mall	100%	108,763
Chizhou	Yangguang Qingcheng	100%	161,904
Dingyuan	Dingyuan Mingfa Shuiyun Taoyuan	100%	62,905
Fengxian	Xingyue City	70%	117,744
Guang'an	Guang'an Mingfa Mall	100%	65,572
Guang'an	Guang'an Mingfa Wealth Centre	100%	95,828
Hefei	Hefei Mingfa Shopping Mall	100%	19,946
Huai'an	Huai'an Mingfa Shopping Mall	100%	21,473
Huai'an	Jinse Shui'an	100%	61,923
Huizhou	Huizhou Mingfa Gaobang New City	80%	10,810
Jinzhai	Jinzhai Yueshan Yuefu	100%	83,304
Jinzhai	Mingfa City Lights	100%	87,748
Jinzhai	Jinzhai Mingfa City Square	100%	203,062
Lai'an	Mingfa North Station New Town	100%	6,425
Lai'an	Mingfa North Station Yayuan	100%	33,888
Lai'an	Mingfa North Station Centre	100%	38,905
Ma'anshan	Hecheng Shoufu	100%	21,884
Ma'anshan	Mingfa MingBo Town	100%	39,623
Nanjing	Nanjing Mingfa Xiang Hill Garden	100%	3,250
Nanjing	Nanjing Rong Li	51%	4,254
Nanjing	Nanjing Mingfa Riverside New Town	100%	4,553
Nanjing	Nanjing Mingfa City Square	100%	6,355
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	1,093
Pingliang	Pingliang Mingfa European City	60%	22,485
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	63,728
Shenyang	Shenyang Mingfa Mall	100%	33,281
Shenyang	Shenyang Mingfa Jinxiuhua City	100%	84,632
Suqian	Siyang Mingfa Shoufu	70%	114,736
Taizhou	Taizhou Mingfa City Complex	100%	87,555
Wujiang	Wujiang Mingfa Jiangwan New City	100%	170,567
Wuxi	Wuxi Mingfa Shopping Mall	70%	13,948
Xiamen	Xiamen Mingfa Shopping Mall	70%	16,443
Xuzhou	Suining Shuiyun Taoyuan	100%	38,591
Xuzhou	Taoyuan Mingzhu	100%	72,790
Yan'an	Mingfa Yan'an Zhi Xing	100%	53,586
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	105,759
Zhenjiang	Zhenjiang Jinxiu Yinshan	100%	52,301
Zibo	Taohua Yuanzhu	100%	83,056
Others			105,840
Total			2,411,057

## Management Discussion and Analysis

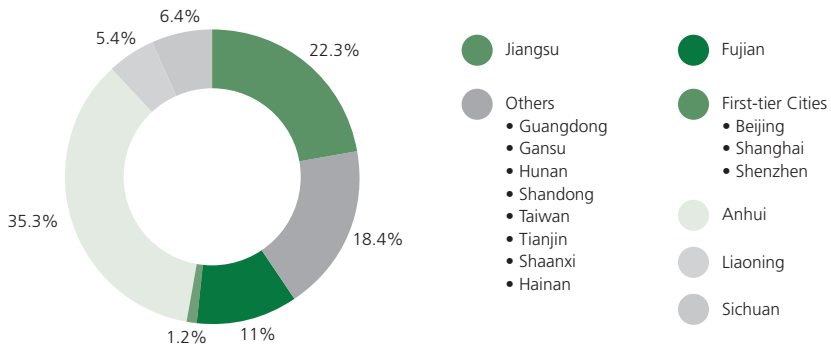


### Summary of Land Bank

As at 30 June 2021, land reserves attributable to the Group decreased by 5.0% to approximately 20.6 million sq.m. (approximately 21.7 million sq.m. as at 31 December 2020), consisting of 131 projects (130 projects as at 31 December 2020) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	42	3.3
Projects under development	64	12.9
Projects for future development	25	4.4
<b>Total</b>	<b>131</b>	<b>20.6</b>

### Total Land Bank by Province as at 30 June 2021



## Management Discussion and Analysis

The following tables summarize the details of the Group's land reserves as at 30 June 2021:

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	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 Jiangtuo 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, Lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/ Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at north of Qianpu Lianqian East Road, 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	5,435	100%	5,435
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	23,117	70%	16,182
Xiamen Mingfa Town	Located at Lvling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/ Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	5,943	100%	5,943
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/ Commercial	Completed	1,072,182	28,453	100%	28,453
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	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	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	436,053	70%	305,237
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	180,130	100%	180,130
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	225,956	100%	225,956
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 Honglai District, Nan'an, Fujian Province	Jun/2012	Residential/ Commercial	Completed	27,065	11,398	100%	11,398
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/ Commercial	Completed	104,380	13,201	100%	13,201
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, 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	136,867	100%	136,867
Huai'an Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huai'an, Jiangsu Province	Dec/2014	Residential	Completed	51,345	10,403	100%	10,403
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang 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

## Management Discussion and Analysis

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
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	14,136	100%	14,136
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%	815
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/ Commercial	Completed	105,504	219,118	100%	219,118
Jinzhai Mingfa City Square (Block D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/ Commercial	Completed	62,885	57,502	100%	57,502
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/ Commercial	Completed	258,297	78,789	100%	78,789
Jinzhai Mingfa City Square (Blocks E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/ Commercial	Completed	203,406	226,630	100%	226,630
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/ Commercial	Completed	45,414	109,726	100%	109,726
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Completed	58,914	15,841	100%	4,871
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	77,726	100%	77,726
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City, Zhenjiang, Jiangsu Province	Jan/2018	Residential/ Commercial	Completed	14,287	9,810	100%	9,810
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulu Area, Guangming New District, Shenzhen	Dec/2018	Commercial	Completed	4,109	12,320	100%	7,537
Nanjing Mingfa Yuejingyuan (G07)	Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Jiangsu Province	Oct/2018	Commercial	Completed	31,455	36,982	100%	36,982

## Management Discussion and Analysis



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
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	77,120	100%	77,120
Nanjing Xingyue City	Located in along the street High and New Technology Industrial Development Zone, Nanjing, Jiangsu Province	Dec/2019	Commercial	Completed	27,428	12,980	40%	5,192
Jinzhai Mingfa City Square (Block AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/ Commercial	Completed	111,142	126,140	100%	126,140
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Lai'an County, Anhui Province	Jan/2020	Residential/ Commercial	Completed	65,335	1,716	100%	1,716
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	61,933	51%	31,586
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Completed	43,868	3,088	100%	3,088
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jul/2019	Residential/ Commercial	Completed	78,622	232,305	100%	232,305
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Jan/2019	Residential/ Commercial	Completed	298,289	504,380	100%	504,380
Zhongao Town Building	Located at south of Xiang'an District, Xiamen, Fujian Province	Apr/2021	Commercial	Completed	11,870	87,880	51%	44,819
Mingfa North Station Villas	Located at Chahe Town, Lai'an, Anhui Province	Aug/2020	Residential	Completed	66,350	74,368	100%	74,368
<b>Sub-total</b>					<b>4,614,353</b>	<b>3,578,742</b>		<b>3,341,753</b>

## Management Discussion and Analysis

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Properties under development (Note 2)</b>								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2022	Residential/ Commercial/ Hotel	Approximately 90% of construction has been completed	296,702	134,958	100%	134,958
Huai'an Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huai'an, Jiangsu Province	Dec/2022	Commercial	Approximately 90% of construction has been completed	133,110	215,660	100%	215,660
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqiu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/ Commercial	Approximately 90% of construction has been completed	61,222	168,024	100%	168,024
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/2022	Residential	Approximately 90% of construction has been completed	158,238	3,094	100%	3,094
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Jun/2023	Residential/ Commercial	Approximately 85% of construction has been completed	292,487	262,994	100%	262,994
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Jun/2023	Residential/ Industrial	Approximately 75% of construction has been completed	237,075	108,914	100%	108,914
Shanghai Mingfa Shopping Mall	Located in east of Hu Yi Highway, Baiyin Road of south, boundary of west, Gaotai Road North, Shanghai	Dec/2022	Commercial	Approximately 55% of construction has been completed	53,779	152,555	100%	152,555
Pingliang Mingfa European City	Located in west of Water Bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2022	Residential	Approximately 85% of construction has been completed	117,594	108,823	60%	65,294
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	285,594	801,714	100%	801,714
Huizhou Mingfa Gaobang New City	Located at Huizhou City West Train Station, Guangdong Province	Dec/2022	Residential	Approximately 75% of construction has been completed	332,335	677,145	80%	541,716



## Management Discussion and Analysis



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2022	Commercial	Approximately 65% of construction has been completed	209,048	360,504	100%	360,504
Nanjing Mingfa Wealth Center	Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2021	Commercial/ Office	Approximately 90% of construction has been completed	56,694	75,177	100%	75,177
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	506,829	1,061,861	100%	1,061,861
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	276,120	744,060	100%	744,060
Guang'an Mingfa Mall (Blocks GC2013-45)	Located in Bridge Group, Guanan, Sichuan Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	76,153	275,944	100%	275,944
Shandong Zibo World Trade Center	Located in People's Road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2022	Residential/ Commercial	Approximately 70% of construction has been completed	147,371	313,216	100%	313,216
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/ Commercial	Approximately 80% of construction has been completed	154,024	251,527	100%	251,527
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2022	Residential	Approximately 70% of construction has been completed	63,127	94,416	100%	94,416
Mingfa MingBo Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	101,504	50,985	100%	50,985
Nanjing Mingfa Yueshan Yuefu	Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Dec/2021	Residential	Approximately 90% of construction has been completed	72,280	5,477	100%	5,477
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	109,452	113,234	100%	113,234



## Management Discussion and Analysis

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	18,099	28,316	100%	28,316
Taoyuan Mingzhu	Located in Shengjinhu Road, Chizhou, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	99,943	16,373	100%	16,373
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 65% of construction has been completed	84,200	56,997	100%	56,997
Jinse Shui'an	Located in north side of Huaihe Road, Jinhu County, Huai'an, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 70% of construction has been completed	289,236	278,140	100%	278,140
Taoyuan Xi'an	Located in Gushu Town, Dangtu County, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 70% of construction has been completed	24,439	10,166	100%	10,166
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Residential/ Commercial	Approximately 55% of construction has been completed	613,287	1,363,776	100%	1,363,776
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2022	Commercial	Approximately 55% of construction has been completed	62,015	359,655	80%	287,724
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 65% of construction has been completed	36,590	20,288	100%	20,288
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 65% of construction has been completed	66,262	124,904	51%	63,701
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 55% of construction has been completed	55,481	66,519	51%	33,925
Guang'an Mingfa City complex project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guang'an, Sichuan Province	Dec/2022	Residential/ Commercial	Approximately 65% of construction has been completed	76,363	277,383	100%	277,383

## Management Discussion and Analysis



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	May/2022	Residential/ Commercial	Approximately 55% of construction has been completed	46,885	167,276	51%	85,311
Wuhu Chungu Xi'an	Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province	May/2022	Residential	Approximately 65% of construction has been completed	64,607	13,951	100%	13,951
New project in Nanjing Pukou 2014GY04 · 2016GY020	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Dec/2022	Industrial	Approximately 50% of construction has been completed	119,564	95,652	100%	95,652
Mingfa North Station Center	Located at Chahe Town, Lai'an, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 75% of construction has been completed	69,757	316,510	100%	316,510
Hecheng Shoufu	Located at Liyang Town, Maanshan, Anhui Province	Dec/2022	Residential	Approximately 65% of construction has been completed	26,918	37,107	100%	37,107
Mingfa Huguangshanse Yihao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	68,688	82,426	100%	82,426
	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	63,674	76,409	100%	76,409
Jinzhai Yueshan Yuefu (Blocks 40, 41)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	133,332	171,963	100%	171,963
New project in Nanjing Pukou G01	Located in Xinghuo Road Bus Station, Jiangbei New District, Nanjing, Jiangsu Province	Nov/2022	Commercial/ Office	Approximately 45% 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/2022	Commercial	Approximately 35% of construction has been completed	26,530	66,325	100%	66,325
New project in Nanjing Pukou G30	Located at north of Nanjing University of Technology, south along the mountain road, Pukou, Nanjing, Jiangsu Province	Dec/2022	Commercial	Approximately 35% of construction has been completed	32,843	59,117	100%	59,117

## Management Discussion and Analysis

Property	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.)
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Oct/2022	Residential	Approximately 45% 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 35% of construction has been completed	67,156	100,735	100%	100,735
Siyang Mingfa Shoufu	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 45% of construction has been completed	103,972	519,861	70%	363,903
Moli Anju	Located in east of Changxing Road and north of nameless road, Jinniu Lake New City, Tianchang, Anhui Province	Jun/2022	Residential/ Commercial	Approximately 75% of construction has been completed	48,073	48,514	100%	48,514
Xingyue City	Located at buildings on West Ring Road, north of Zhongyang Avenue, west of Xiyu Road, Fengxian, Xuzhou, Jiangsu Province	Dec/2022	Residential/ Commercial	Approximately 45% of construction has been completed	102,069	255,171	70%	178,620
Mingfa City Lights	Located in Jinzhai Modern Industrial Park, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	107,417	218,443	100%	218,443
Mingbo Yue City	Located at Bowang Town, Bowang District, Maanshan, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 45% 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 45% of construction has been completed	69,333	94,112	100%	94,112
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/ Commercial	Approximately 55% of construction has been completed	119,154	219,800	100%	219,800
Yangguang Qingcheng (Block 1)	Located at Rongcheng Town, Chizhou, Anhui Province	Apr/2022	Residential/ Commercial	Approximately 45% of construction has been completed	112,183	151,600	100%	151,600
Dingyuan Mingfa Wealth Center	Located at south of Qijuguang Avenue, Dingyuan Town, Chizhou, Anhui Province	Oct/2022	Commercial/ Office	Approximately 30% of construction has been completed	24,439	146,636	100%	146,636



## Management Discussion and Analysis



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Road, Xinyi, Xuzhou, Jiangsu Province	Oct/2022	Commercial	Approximately 30% 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 30% of construction has been completed	76,473	202,653	100%	202,653
Mingfa North Station Meiyuan	Located at Chahe Town, Lai'an, Anhui Province	Apr/2022	Residential/ Commercial	Approximately 30% 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	Dec/2022	Industrial	Approximately 30% of construction has been completed	57,600	57,600	100%	57,600
Wanqiao Xiyuan	Located in intersection of Zuixing Road and Jingling Road, Chuzhou, Anhui Province	Dec/2022	Residential	Approximately 30% of construction has been completed	77,564	155,128	100%	155,128
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Jan/2023	Residential/ Commercial	Approximately 30% of construction has been completed	37,676	75,352	100%	75,352
Mingfa Taoyuan Mingzhu C1 Zone	Located in Dengke Street, Eryang District, Bazhong, Sichuan Province	Aug/2024	Residential	Approximately 25% of construction has been completed	154,082	385,206	100%	385,206
Mingfa Yan'an Zhi Xing	Located in Yan'an new area, Yan'an, Shaanxi Province	Jun/2022	Residential/ Commercial	Approximately 30% of construction has been completed	79,116	379,575	100%	379,575
Suining Shuiyun Taoyuan	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Feb/2023	Residential/ Commercial	Approximately 30% of construction has been completed	130,571	352,936	60%	211,762
QingYang Yangguang Qingcheng (Block 3)	Located at Qibuquan Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Dec/2022	Residential/ Commercial	Approximately 30% of construction has been completed	57,269	105,947	100%	105,947
<b>Sub-total</b>					<b>7,585,838</b>	<b>13,793,098</b>		<b>12,944,875</b>

## Management Discussion and Analysis

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Properties with land use rights certificate for future development (Note 3)</b>								
Nanjing Mingfa Furniture City	Located in Huangyao Village, Taishan Street, Pukou District, Nanjing, Jiangsu Province	Jun/2023	Industrial	Vacant	41,434	103,585	100%	103,585
Lanzhou Mingfa Zhongke Ecological Park	Located in Weijia Village of southwest, Gansu Province	Dec/2023	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan Block 54	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2023	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan Block 169	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2023	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Qing Nian Street, Heping District, Shenyang, Liaoning Province	Dec/2023	Commercial	Vacant	5,468	54,677	100%	54,677
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2023	Residential	Vacant	235,526	423,948	100%	423,948
New project in Maanshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Industrial	Vacant	31,258	46,888	100%	46,888
New project in Maanshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Residential/ Commercial/ Industrial	Vacant	106,963	162,975	100%	162,975
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province	Aug/2023	Residential/ Commercial	Vacant	53,892	296,406	100%	296,406
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2023	Residential	Vacant	108,972	108,972	100%	108,972
New project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Dec/2023	Commercial	Vacant	9,265	13,989	100%	13,989

## Management Discussion and Analysis



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
New project in Fengxian (2016-30, 2016-32, 2016-33, 2016-34)	Located in east of Ring Road West, north of Zhongyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2023	Residential/ Commercial	Vacant	213,380	533,451	70%	373,415
QingYang Yangguang Qingcheng (Block 2)	Located at Qibuquan Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Apr/2023	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 east of Ring Road West, north of Zhongyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Mar/2023	Residential/ Commercial	Vacant	22,316	55,791	70%	39,054
New project in Zibo (2017-009-01 - 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
<b>Sub-total</b>					<b>2,721,874</b>	<b>4,156,695</b>		<b>3,307,747</b>

## Management Discussion and Analysis

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	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 (Note 4)</b>								
Hong Six highway rebuilding project	Located at Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2023	Residential/ Commercial	Vacant	22,784	92,298	100%	92,298
Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14 Phase Three)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2023	Residential	Vacant	105,188	315,564	100%	315,564
Kangyang Town	Located in Jiangjun Road, Jinzhai, Anhui Province	Dec/2023	Residential/ Commercial	Vacant	64,539	103,263	100%	103,263
New project in Hainan	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2023	Industrial	Vacant	53,369	53,369	100%	53,369
New project in Bazhong (2020-1-1-4-7)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	141,811	323,169	100%	323,169
New project in Bazhong (2020-1-1-1-3)	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)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Commercial	Vacant	19,089	22,906	100%	22,906
QingYang Yangguang Qingcheng (Block 4)	Located at Tianzhu Road, Rongcheng Town, Qingyang County, Chizhou, Anhui Province	Jan/2023	Residential/ Commercial	Vacant	37,552	75,104	100%	75,104
<b>Sub-total</b>					<b>468,302</b>	<b>1,021,628</b>		<b>1,021,628</b>
<b>Total</b>					<b>15,390,367</b>	<b>22,550,162</b>		<b>20,616,003</b>

## Management Discussion and Analysis



### Notes:

1. 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 2021.
2. 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 2021.
3. The site area is in respect of the whole property (regardless of GFA that had been sold).
4. The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that had been sold/leased.

### 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 2021:

Property	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Beijing Mingfa Mall	Located at Beizang Village, Daxing District, Beijing	Reisential/ Commercial	62,183	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	162,446	15–20 years	100%
Jinzhai Mingfa City Square (G Plot)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	54,903	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%



## Management Discussion and Analysis

Property	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	79,154	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%
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	1,771	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	4,363	3 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	6,695	15–20 years	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	1,625	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	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	113,551	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	59,254	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, Xipu 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	2,880	15.5 years	100%
<b>Total</b>			<b>1,109,138</b>		



## Management Discussion and Analysis

### PROSPECT AND OUTLOOK

The Group continued to concentrate on the property development in Yangtze Area especially in Nanjing and certain cities in Anhui. The contracted sales for the 6 months ended 30 June 2021 increased for 53.1% to RMB6,616.6 million as compared to the same period in 2020. In response to the latest tight fiscal and monetary policies imposed in PRC, the Group has succeeded to decrease debt level to RMB4.0 billion which was less than the cash of RMB4.2 billion as at 30 June 2021. It is believed that the low gearing ratio will be essential to maintain the business in uncertain economic environment.

### CAPITAL STRUCTURE

As at 30 June 2021, the Group had aggregate cash and cash equivalents (excluding restricted cash) of approximately RMB4,187.8 million (31 December 2020: approximately RMB3,567.0 million). Restricted cash of the Group was RMB7.2 million (31 December 2020: approximately RMB3.6 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB2,281.5 million and RMB1,727.1 million respectively (31 December 2020: approximately RMB3,440.1 million and RMB1,330.1 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 30 June 2021.

For the six months ended 30 June 2021, total interest expenses including the capitalised interest costs amounted to approximately RMB217.3 million (corresponding period in 2020: RMB296.0 million), and RMB214.8 million of loan interest expenses was capitalised in 2021 (corresponding period in 2020: RMB292.9 million was capitalised).

Set out below are the major ratios of the Group:

	As at 30 June 2021	As at 30 June 2020
Gross profit margin	33.4%	30.7%
Operating profit margin	25.0%	20.8%
Net profit margin	13.0%	11.0%
Current ratio	1.08	1.04
Total liabilities to total assets	75.4%	76.7%
Bank loans and other borrowings to shareholders' funds	23.2%	37.2%
Non-current bank loans and other borrowings to total assets	2.3%	1.0%
Gearing ratio*	0%	13.4%

\* 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.

## Management Discussion and Analysis



### PLEDGE OF ASSETS

As at 30 June 2021, investment properties of the Group with net book value of approximately RMB2,320.0 million (31 December 2020: approximately RMB2,310.0 million), buildings of approximately RMB427.7 million (31 December 2020: approximately RMB661.2 million), the leasehold interests in land of approximately RMB858.6 million (31 December 2020: approximately RMB858.5 million), completed properties held for sale of approximately RMB2,654.8 million (31 December 2020: approximately RMB1,425.5 million) and properties under development of approximately RMB1,085.3 million (31 December 2020: approximately RMB740.8 million) were pledged to secure of the banking facilities of the Group. Cash deposits of approximately RMB7.2 million (31 December 2020: RMB3.6 million) were restricted and deposited in certain banks as security for project construction.

### CAPITAL COMMITMENTS

As at 30 June 2021, the contracted capital commitments of the Group were approximately RMB20,785.6 million (31 December 2020: approximately RMB18,162.2 million), which were mainly the capital commitments for property development. It is expected that the Group will finance such commitments from internally generated funds and resources.

### GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2021, the contingent liabilities of the Group was approximately RMB15,666.9 million (31 December 2020: approximately RMB13,913.8 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.

### FOREIGN EXCHANGE RISK

As at 30 June 2021, 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%, 0.1% and 0.3% (31 December 2020: Renminbi, Hong Kong dollars and US dollars accounted for 99.8%, 0.1% and 0.1% 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 76.0%, 21.4% and 2.6% (31 December 2020: Renminbi, US dollars and New Taiwan dollars accounted for 60.9%, 36.9% and 2.2% respectively of the total bank loans and other borrowings of the Group).



## Management Discussion and Analysis

As the sales, purchases, bank borrowings and other borrowings of the Group in 2021 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 2021 as the hedging cost was comparable to the corresponding risk.

### INTEREST RATE RISK

As at 30 June 2021, 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.

## Management Discussion and Analysis



### **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).

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.

The Company redeemed all of the 2021 January Bonds on 13 January 2021.

### **15% BONDS DUE 2021 IN AN AGGREGATE PRINCIPAL AMOUNT OF US\$89 MILLION ("2021 MAY BONDS")**

Reference is made to the Company's announcements dated 8 January 2021 and 15 January 2021 (capitalized terms in this paragraph have the same meanings as those defined therein).





## Management Discussion and Analysis

On 8 January 2021, 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 2021 May Bonds was issued and listed on SGX-ST on 13 January 2021. The net proceeds from the issue of the Bonds was approximately US\$88.6 million for refinancing certain existing indebtedness of the Group and for general corporate purposes of the Group.

The 2021 May Bonds bear interest from 13 January 2021 at 15.0% per annum payable on 13 May 2021. The Bonds will mature on 13 May 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.

The Company redeemed all of the 2021 May Bonds on 13 May 2021.

### SPECIFIC PERFORMANCE OF CONTROLLING SHAREHOLDER

Pursuant to the terms of the 2021 January Bonds and 2021 May 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 2021 May 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 2021) and the date of this report that would cause a material impact to the Group.



## Corporate Governance and Other Information



### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the total issued share capital of the Company was 6,093,451,026 ordinary shares.

As at 30 June 2021, 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
Galaxy Earnest Limited	Interest of a controlled corporation <sup>(Note 2)</sup>	5,086,500,000 shares	83.47%
Mr. Wong Wun Ming	Beneficial owner <sup>(Note 4)</sup>	5,100,000,000 (L)	83.70%

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.

Save as disclosed above, as at 30 June 2021, 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.



## Corporate Governance and Other Information

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

As at 30 June 2021, the total number of issued shares of the Company was 6,093,451,026 ordinary shares.

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.

### HUMAN RESOURCES

As at 30 June 2021, the Group had immaterial difference in employee number as compared to 31 December 2020 which employed 3,308 staff (31 December 2020: 3,289 staff). For the six months ended 30 June 2021, the unaudited total staff costs of the Group including directors' emoluments were approximately RMB177.2 million (corresponding period in 2020: approximately RMB180.7 million), representing a decrease of 2.0%. 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.



## Corporate Governance and Other Information



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;
- (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 2021.



## Corporate Governance and Other Information

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2021, the Company:

- redeemed all of the 2021 January Bonds with principal amount of US\$220,000,000 which was issued on 16 January 2020; and
- redeemed all of the 2021 May Bonds with principal amount of US\$89,000,000 which was issued on 13 January 2021.

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 2021.

### MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries during the six months ended 30 June 2021.

### 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 2021, the Company had complied with all code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

### 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 for Securities Transactions by Directors of Listed Issuers ("**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 2021.



## Corporate Governance and Other Information



### 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. (i) was appointed as a non-executive director of Hong Kong Aerospace Technology Group Limited 香港航天科技集團有限公司 (FKA: Eternity Technology Holdings Limited 恒達科技控股有限公司) (stock code: 1725) effective 13 May 2021; (ii) was a non-executive director of Sunwah Kingsway Capital Holdings Limited (stock code: 188) 1 February 2007 to 30 June 2021; and (iii) was a non-executive director of Tianda Pharmaceuticals Limited (Stock Code: 455) from 1 January 2018 to 26 August 2021; all of which are listed on the Stock Exchange. Dr. Lam, Lee G. will retire from the board of Top Global Limited (Stock Code: BHO, privatized on 17 August 2021) on 31 August 2021, a company which was listed on Singapore Stock Exchange.

Mr. Chu Kin Wang Peleus was appointed as an executive director of Momentum Financial Holdings Limited (stock code: 1152) since 13 August 2021 and was an independent non-executive director of Xinming China Holdings Limited (stock code: 2699) from 16 April 2021 to 15 August 2021, 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 2021.

On behalf of the Board

**LAM, Lee G.**

*Chairman*

27 August 2021



# Condensed Consolidated Interim Financial Statements

## Condensed Consolidated Interim Statement of Profit or Loss

For the six months ended 30 June 2021

	Notes	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
<b>Revenues</b>	4	<b>9,688,044</b>	7,691,877
Cost of sales		<b>(6,455,868)</b>	(5,333,981)
<b>Gross profit</b>		<b>3,232,176</b>	2,357,896
Fair value gains on investment properties		<b>82,518</b>	7,039
Other income and other gains and losses	13	<b>36,828</b>	(101,030)
Net impairment loss on financial assets		<b>(90,951)</b>	(46,214)
Selling and marketing costs		<b>(458,384)</b>	(339,013)
General and administrative expenses		<b>(375,625)</b>	(275,602)
<b>Operating profit</b>		<b>2,426,562</b>	1,603,076
Finance income	15	<b>15,149</b>	19,655
Finance costs	15	<b>(2,477)</b>	(3,082)
Finance income — net	15	<b>12,672</b>	16,573
Share of results of			
— Associated companies		<b>(13,437)</b>	(64,233)
— Joint ventures		<b>(125)</b>	59,301
		<b>(13,562)</b>	(4,932)
<b>Profit before income tax</b>	14	<b>2,425,672</b>	1,614,717
Income tax expense	16	<b>(1,167,897)</b>	(767,260)
<b>Profit for the period</b>		<b>1,257,775</b>	847,457
<b>Attributable to:</b>			
Equity holders of the Company		<b>1,204,978</b>	752,878
Non-controlling interests		<b>52,797</b>	94,579
		<b>1,257,775</b>	847,457
<b>Earnings per share for profit attributable to equity holders of the Company (RMB cents)</b>			
— Basic	18	<b>19.8</b>	12.4
— Diluted	18	<b>19.8</b>	12.4



## Condensed Consolidated Interim Statement of Other Comprehensive Income

For the six months ended 30 June 2021



	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>1,257,775</b>	847,457
<b>Other comprehensive income</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	60	(6,757)
<b>Total comprehensive income for the period</b>	<b>1,257,835</b>	840,700
<b>Attributable to</b>		
Equity holders of the Company	1,205,038	746,121
Non-controlling interests	52,797	94,579
	<b>1,257,835</b>	840,700



## Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,867,156	2,910,125
Investment properties		11,880,600	11,537,722
Goodwill		7,169	7,169
Investments in associated companies		1,941,606	1,955,043
Investments in joint ventures		2,082,513	2,040,768
Deferred income tax assets		528,096	596,790
Other financial assets	6	40,550	40,550
Other receivables	7	14,293	14,293
Prepayments for land use rights	5	542,965	585,547
		<b>19,904,948</b>	19,688,007
<b>Current assets</b>			
Properties under development		26,675,069	30,425,758
Completed properties held for sale		19,076,852	16,042,922
Inventories		61,991	61,829
Trade and other receivables and prepayments	7	3,759,747	3,788,662
Contract costs	7	224,714	314,679
Prepaid income taxes		513,964	322,401
Amounts due from related parties, joint ventures and associated companies		974,205	1,023,806
Amounts due from non-controlling interests		808,543	775,191
Restricted cash	8	7,200	3,600
Cash and cash equivalents		4,187,799	3,567,002
		<b>56,290,084</b>	56,325,850
Assets of a disposal group classified as held for sale		—	92,302
Total current assets		<b>56,290,084</b>	56,418,152
<b>Total assets</b>		<b>76,195,032</b>	76,106,159

# Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2021



	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	21,065,155	18,409,886
Contract liabilities		17,253,763	19,992,147
Amounts due to related parties, joint ventures and associated companies		7,498,348	7,578,466
Amounts due to non-controlling interests		679,073	755,560
Income tax payable		3,232,434	2,994,140
Borrowings	10	2,281,473	3,440,085
Lease liabilities		25,979	47,178
		52,036,225	53,217,462
Liabilities of a disposal group classified as held for sale		—	62,619
<b>Total current liabilities</b>		52,036,225	53,280,081
<b>Net current assets</b>		4,253,859	3,138,071
<b>Total assets less current liabilities</b>		24,158,807	22,826,078
<b>Non-current liabilities</b>			
Deferred government grants		1,225,059	1,370,654
Borrowings	10	1,727,069	1,330,090
Deferred income tax liabilities		2,427,245	2,393,129
Other payables	12	—	200,157
Lease liabilities		13,249	18,798
		5,392,622	5,312,828
<b>Total liabilities</b>		57,428,847	58,592,909
<b>Net assets</b>		18,766,185	17,513,250
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	9	536,281	536,281
Reserves		16,724,277	15,519,239
		17,260,558	16,055,520
<b>Non-controlling interests</b>		1,505,627	1,457,730
<b>Total equity</b>		18,766,185	17,513,250

## Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2021

	Capital and reserves attributable to equity holders of the Company		Non- controlling interests	Total
	Share capital RMB'000	Reserves RMB'000		
<b>Balance at 1 January 2020 (audited)</b>	536,281	14,388,121	1,760,064	16,684,466
<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>	536,281	15,134,242	1,871,643	17,542,166
<b>Balance at 1 January 2021 (audited)</b>	<b>536,281</b>	<b>15,519,239</b>	<b>1,457,730</b>	<b>17,513,250</b>
<b>Comprehensive income</b>				
Profit for the period	—	1,204,978	52,797	1,257,775
Other comprehensive income				
— Currency translation differences	—	60	—	60
<b>Total comprehensive income for the period</b>	—	1,205,038	52,797	1,257,835
<b>Transactions with owners</b>				
Disposal of a subsidiary	—	—	(4,900)	(4,900)
<b>Balance at 30 June 2021 (unaudited)</b>	<b>536,281</b>	<b>16,724,277</b>	<b>1,505,627</b>	<b>18,766,185</b>

## Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2021



	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Net cash generated from operating activities	1,556,266	824,395
Net cash used in investing activities	(269,514)	(670,543)
Net cash used in financing activities	(766,473)	(511,685)
Effect of foreign exchange rate changes on cash	48,056	(12,994)
Net increase/(decrease) in cash and cash equivalents	568,335	(370,827)
Cash and cash equivalents at beginning of the period	3,619,464	3,488,059
Cash and cash equivalents at end of the period	4,187,799	3,117,232



## Notes to the Condensed Consolidated Interim Financial Statements

*For the six months ended 30 June 2021*

### 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 the office of 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 2021 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 2021*



### 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 2020, 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:

- Amendment to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16: Interest Rate Benchmark Reform — Phase 2
- Amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021





## Notes to the Condensed Consolidated Interim Financial Statements

*For the six months ended 30 June 2021*

### 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 2020.

### 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 2021



## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information

The unaudited segment results for the six months ended 30 June 2021 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	217,583	8,935,181	133,964	233,180	169,952	—	9,689,860
Inter-segment revenues	—	—	(1,816)	—	—	—	(1,816)
Revenues	217,583	8,935,181	132,148	233,180	169,952	—	9,688,044
Operating profit/(loss)	24,447	2,362,370	(2,744)	71,601	(29,112)	—	2,426,562
Finance income — net							12,672
Share of results of associated companies	(120)	1,149	—	(11,628)	(2,838)	—	(13,437)
Share of results of joint ventures	—	5,271	—	(5,396)	—	—	(125)
Profit before income tax							2,425,672
Income tax expense							(1,167,897)
Profit for the period							1,257,775
Other segment information							
Capital and property development expenditure	500,565	2,537,285	1,833	316	376,389	—	3,416,388
Depreciation of property, plant and equipment	6,052	23,861	9,454	1,351	847	—	41,565
Depreciation of right-of-use assets under properties under development	—	7,910	—	—	—	—	7,910
Fair value gains on investment properties	—	—	—	82,518	—	—	82,518



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

### 4 REVENUES AND SEGMENT INFORMATION (Continued)

#### (a) Segment information (Continued)

The unaudited segment assets and liabilities as at 30 June 2021 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	10,753,318	82,654,086	1,813,742	13,305,971	21,958,127	(59,396,941)	71,088,303
Associated companies	—	261,454	—	1,255,737	424,415	—	1,941,606
Joint ventures	15,824	125,212	—	1,941,476	1	—	2,082,513
	10,769,142	83,040,752	1,813,742	16,503,184	22,382,543	(59,396,941)	75,112,422
Unallocated:							
Deferred income tax assets							528,096
Prepaid income taxes							513,964
Other financial assets							40,550
Total assets							76,195,032
Segment liabilities	8,290,780	87,587,060	110,692	1,972,638	9,196,397	(59,396,941)	47,760,626
Unallocated:							
Deferred income tax liabilities							2,427,245
Borrowings							4,008,542
Income tax payable							3,232,434
Total liabilities							57,428,847

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information (Continued)

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 2021

## 4 REVENUES AND SEGMENT INFORMATION (Continued)

### (a) Segment information (Continued)

The audited segment assets and liabilities as at 31 December 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	11,936,558	85,444,565	1,787,354	12,749,321	20,580,272	(61,347,463)	71,150,607
Associated companies	—	260,425	—	1,267,365	427,253	—	1,955,043
Joint ventures	11,854	82,041	—	1,946,873	—	—	2,040,768
	11,948,412	85,787,031	1,787,354	15,963,559	21,007,525	(61,347,463)	75,146,418
Unallocated:							
Deferred income tax assets							596,790
Prepaid income taxes							322,401
Other financial assets							40,550
Total assets							76,106,159
Segment liabilities	9,522,456	90,276,413	72,238	1,977,582	7,934,239	(61,347,463)	48,435,465
Unallocated:							
Deferred income tax liabilities							2,393,129
Borrowings							4,770,175
Income tax payable							2,994,140
Total liabilities							58,592,909

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



### 4 REVENUES AND SEGMENT INFORMATION (Continued)

#### (b) Revenues

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

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development — commercial	217,583	83,033
• Property development — residential	8,935,181	7,219,373
• Hotel	132,148	65,386
• Property investment and management — property management fee income	60,064	43,970
• All other segments	169,952	141,726
	9,514,928	7,553,488
Revenue from other sources		
• Property investment and management — rental income	173,116	138,389
	9,688,044	7,691,877

### 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 2021

### 6 OTHER FINANCIAL ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Opening and ending balance	40,550	40,550
Less: Non-current portion	(40,550)	(40,550)
Current portion	—	—
Equity investments measured at fair value through other comprehensive income		
— Non-current		
Unlisted equity shares (Note)	40,550	40,550
	40,550	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 2021 and the year ended 31 December 2020 from the investment cost. During the six months ended 30 June 2021, no dividend was declared by this entity.



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	617,826	469,498
Less: Provision for impairment of trade receivables (Note (a))	(446,433)	(339,253)
Trade receivables — net (Note (b))	171,393	130,245
Other receivables and prepayment	3,602,647	3,672,710
	3,774,040	3,802,955
Less: Non-current portion of other receivables (Note (c))	(14,293)	(14,293)
Current portion	3,759,747	3,788,662
Contract costs	224,714	314,679

As at 30 June 2021 and 31 December 2020, 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 2021

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

Notes:

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Opening balance	339,253	186,594
Net impairment loss recognised during the period	107,180	152,659
Closing balance	446,433	339,253

- (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:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 90 days	11,847	81,817
Over 90 days and within 1 year	71,172	8,313
Over 1 year and within 2 years	49,373	20,127
Over 2 years	39,001	19,988
	171,393	130,245

- (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 2021



### 8 RESTRICTED CASH

As at 30 June 2021, the Group's cash of approximately RMB7,200,000 (31 December 2020: RMB3,600,000) 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 2020, 31 December 2020 and 30 June 2021	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 1 January 2020, 31 December 2020 and 30 June 2021	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 2021

### 10 BORROWINGS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Borrowings included in non-current liabilities		
Bank borrowings — secured	1,823,208	2,331,229
Less: Amounts due within one year	(96,139)	(1,001,139)
	1,727,069	1,330,090
Borrowings included in current liabilities		
Bank borrowings — secured	1,329,375	531,875
Current portion of long-term borrowings	96,139	1,001,139
Senior notes, junior notes and bonds	855,959	1,907,071
	2,281,473	3,440,085

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



### 11 PLEDGED ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Completed properties held for sale	2,654,754	1,425,520
Property, plant and equipment	427,683	661,175
Properties under development	1,085,299	740,814
Land use rights under properties under development	858,579	858,475
Investment properties	2,320,000	2,310,000
Restricted cash	7,200	3,600
	<b>7,353,515</b>	5,999,584

### 12 TRADE AND OTHER PAYABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables (Note)	13,439,227	12,249,577
Other payables	6,941,217	6,135,191
Other taxes payable	684,711	225,275
	<b>21,065,155</b>	18,610,043
Less: Non-current portion of other payables	—	(200,157)
	<b>21,065,155</b>	18,409,886



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

### 12 TRADE AND OTHER PAYABLES (Continued)

Notes:

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

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Within 90 days	<b>5,616,335</b>	7,673,225
Over 90 days and within 1 year	<b>5,989,763</b>	1,969,198
Over 1 year	<b>1,833,129</b>	2,607,154
	<b>13,439,227</b>	12,249,577

### 13 OTHER INCOME AND OTHER GAINS AND LOSSES

	<b>30 June 2021 RMB'000 (Unaudited)</b>	30 June 2020 RMB'000 (Unaudited)
Government grants	<b>10,613</b>	1,929
Net exchange gains/(losses)	<b>48,056</b>	(87,148)
Miscellaneous	<b>(21,841)</b>	(15,811)
	<b>36,828</b>	(101,030)

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



### 14 PROFIT BEFORE INCOME TAX

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

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Staff costs — including directors' emoluments	177,168	180,697
Auditor's remuneration	1,537	2,400
Charitable donations	101	481
Depreciation of property, plant and equipment	41,565	75,231
Depreciation of right-of-use assets under properties under development	7,910	24,352
Cost of properties sold	6,021,885	5,022,875
Business tax and other levies on sales and construction of properties	49,210	25,433
Direct outgoings arising from investment properties that generate rental income	68,826	90,856
Short-term lease expenses	1,186	8,462
Hotel operating expenses	101,375	54,119



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

### 15 FINANCE INCOME AND COSTS

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Finance income		
— interest income on bank deposits and loan to a related party	15,149	19,655
Interest expenses on borrowings	214,846	292,922
Interest expense on lease liabilities	2,477	3,082
Less: Interest capitalised	(214,846)	(292,922)
Finance costs	(2,477)	(3,082)
Net finance income	12,672	16,573

### 16 INCOME TAX EXPENSE

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Current income tax		
— PRC enterprise income tax	479,021	358,026
— PRC land appreciation tax	571,464	303,890
	1,050,485	661,916
Deferred income tax		
— PRC enterprise income tax	48,000	(10,377)
— PRC withholding income tax	69,412	115,721
	117,412	105,344
	1,167,897	767,260



## Notes to the Condensed Consolidated Interim Financial Statements

*For the six months ended 30 June 2021*



### 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 2021 (2020: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporations is taxed at 8.25%, and profits above HK\$2 million is taxed at 16.5%.

#### (b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2020: 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 2021 (2020: Nil).



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

### 18 EARNINGS PER SHARE

#### Basic and diluted

Basic earnings per share for the six months ended 30 June 2021 and 2020 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 2021 and 2020, diluted earnings per share is same as basic earnings per share.

	<b>30 June 2021 RMB'000 (Unaudited)</b>	30 June 2020 RMB'000 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	<b>1,204,978</b>	752,878
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>19.8</b>	12.4

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



## 19 CONTINGENT LIABILITIES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (Note (a))	13,731,508	12,242,657
Guarantees in respect of banking facilities granted to associated companies (Note (b))	1,547,630	1,278,915
Guarantees in respect of banking facilities granted to a joint venture (Note (c))	387,749	392,204
	15,666,887	13,913,776

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 2021

### 19 CONTINGENT LIABILITIES (Continued)

Notes: (Continued)

- (b) As at 30 June 2021 and 31 December 2020, the Group provided joint and several liability guarantees of the following amounts in respect of bank borrowings to its associated companies:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Nanjing Software Valley Qichuang Communication Technology Co., Ltd	1,547,630	1,278,915

- (c) As at 30 June 2021 and 31 December 2020, the Group provided guarantee of the following amount in respect of bank borrowing to a joint venture:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Superb Land Limited ("Superb Land")	387,749	392,204

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021



### 20 COMMITMENTS

#### Commitments for capital and property development expenditure

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted but not provided for		
— Properties being developed by the Group for sale	20,203,640	17,575,176
— Land use rights	581,951	587,016
	20,785,591	18,162,192

### 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:

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Interest income from loan to Superb Land, a joint venture	3,820	4,436
Commission fee paid to a non-controlling interest	—	2,819
Rental income from a joint venture	21,209	—



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

### 21 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Key management compensation

	30 June 2021 RMB'000 (Unaudited)	30 June 2020 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	4,482	4,016
Retirement scheme contributions	7	30
	4,489	4,046

### 22 APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements set out on pages 36 to 64 were approved and authorised for issue by the Board on 27 August 2021.