



紅星美凱龍家居集團股份有限公司
Red Star Macalline Group Corporation Ltd.

(A SINO-FOREIGN JOINT STOCK COMPANY INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY)

STOCK CODE: 1528



2021
Interim Report

Contents

Corporate Information	2
Financial and Operational Highlights	4
Management Discussion and Analysis	6
Corporate Governance and Other Information	59
Consolidated Balance Sheet	72
Consolidated Income Statement	77
Consolidated Cash Flow Statement	80
Consolidated Statement of Changes in Owners' Equity	82
Company's Balance Sheet	86
Company's Income Statement	89
Company's Cash Flow Statement	91
Statement of Changes in Owners' Equity of the Company	93
Notes to the Financial Statements	97

Corporate Information

BOARD OF DIRECTORS

As at 20 September 2021 (the “Latest Practicable Date”), the board (the “Board”) of directors (the “Director(s)”) of the Company comprises the following Directors:

Executive Directors

Mr. CHE Jianxing (*Chairman*)
Mr. GUO Binghe (*Vice Chairman*)
Ms. CHE Jianfang
Mr. JIANG Xiaozhong

Non-executive Directors

Ms. CHEN Shuhong
Mr. JING Jie
Mr. XU Hong
Mr. CHEN Zhaohui

Independent Non-executive Directors

Mr. QIAN Shizheng
Mr. LEE Kwan Hung, Eddie
Mr. WANG Xiao
Ms. ZHAO Chongyi
Ms. QIN Hong

SUPERVISORS

Mr. PAN Ning (*Chairman*)
Ms. CHAO Yanpin
Mr. CHEN Gang
Mr. ZHENG Hongtao

AUDIT COMMITTEE

Mr. QIAN Shizheng (*Chairman*)
Mr. LEE Kwan Hung, Eddie
Mr. WANG Xiao

REMUNERATION AND EVALUATION COMMITTEE

Mr. QIAN Shizheng (*Chairman*)
Mr. CHE Jianxing
Mr. WANG Xiao

NOMINATION COMMITTEE

Mr. LEE Kwan Hung, Eddie (*Chairman*)
Mr. CHE Jianxing
Ms. ZHAO Chongyi

STRATEGY AND INVESTMENT COMMITTEE

Mr. CHE Jianxing (*Chairman*)
Mr. GUO Binghe
Mr. JIANG Xiaozhong
Ms. ZHAO Chongyi
Mr. XU Hong
Ms. QIN Hong

COMPANY SECRETARY

Mr. GUO Binghe

AUTHORIZED REPRESENTATIVES

Mr. CHE Jianxing
Mr. GUO Binghe

REGISTERED OFFICE

Suite F801, 6/F
No. 518, Linyu Road
Pudong New District
Shanghai
the PRC

HEADQUARTERS IN THE PRC

Red Star Macalline Headquarter
No. 2/5, Lane 1466, Shenchang Road
Minhang District
Shanghai
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower 2
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

H SHARE REGISTRAR

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

LEGAL ADVISORS

As to Hong Kong and United States law

Davis Polk & Wardwell
Hong Kong Solicitors
The Hong Kong Club Building
3A Chater Road, Hong Kong

As to the PRC law

Llinks Law Offices
19/F One Lujiazui
68 Yin Cheng Road Middle
Shanghai 200120
the PRC

AUDITOR

Ernst & Young Hua Ming LLP
Level 16, Ernst & Young Tower, Oriental Plaza
No.1 East Changan Ave., Dongcheng District
Beijing
the PRC

PRINCIPAL BANKS

Industrial and Commercial Bank of China

Shanghai Branch Banking Department
No. 24 Zhongshan Dongyi Road
Shanghai
the PRC

Minsheng Bank

Shanghai Xuhui Branch
No. 1033 Zhaojiabang Road, Xujiahui
Shanghai
the PRC

Bank of Communications

Shanghai Putuo Branch
No. 2000 Zhongshan North Road
Shanghai
the PRC

STOCK CODE

Hong Kong Stock Exchange: 1528
Shanghai Stock Exchange: 601828

COMPANY'S WEBSITE

www.chinaredstar.com

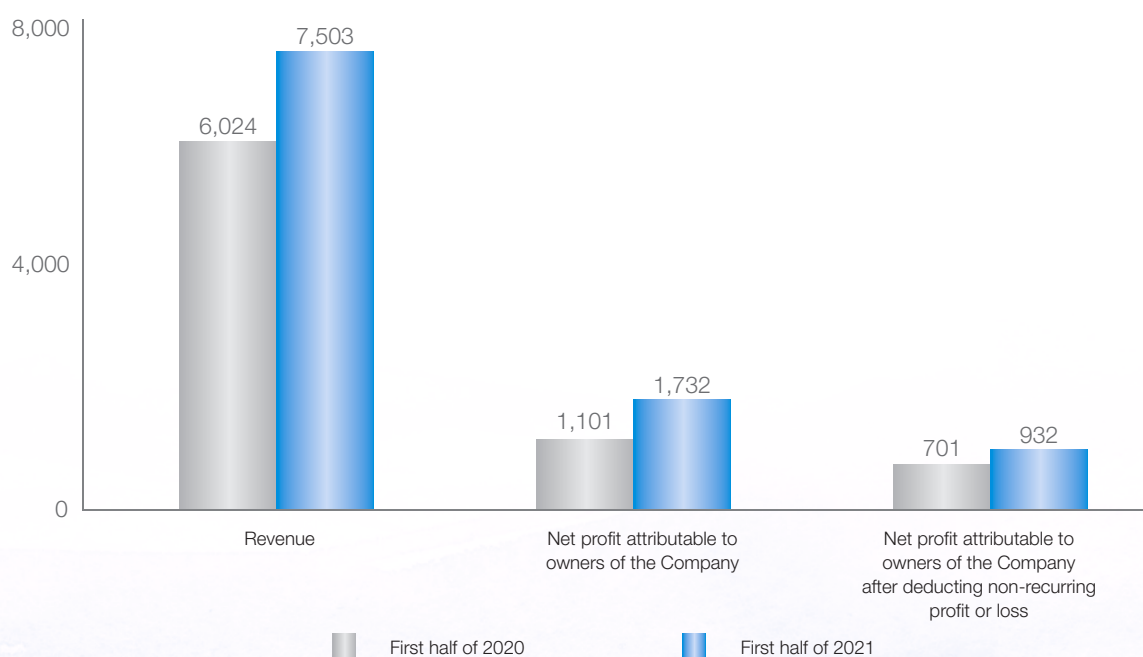
Financial and Operational Highlights

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2021 (RMB'000, except otherwise stated) (Unaudited)	2020 (Unaudited)
Revenue	7,502,597	6,024,441
Gross profit	4,770,970	4,029,841
Gross profit margin	63.6%	66.9%
Net profit	1,867,147	1,154,254
Net profit attributable to owners of the Company	1,731,902	1,101,316
Net profit margin attributable to owners of the Company	23.1%	18.3%
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	931,940	700,784
Net profit margin attributable to owners of the Company after deducting non-recurring profit or loss	12.4%	11.6%
Earnings per share	RMB0.44	RMB0.28

Key Financial Performance Indicators

RMB million



OPERATIONAL HIGHLIGHTS

The following table sets forth certain operation data of Portfolio Shopping Malls⁽¹⁾ and Managed Shopping Malls⁽¹⁾ in operation as of the dates indicated:

	As at 30 June 2021	As at 31 December 2020
Number of shopping malls	369	365
Operating area of shopping malls (<i>sq.m.</i>)	22,116,526	22,055,668
Number of cities covered	224	223
Number of Portfolio Shopping Malls	93	92
Operating area of Portfolio Shopping Malls (<i>sq.m.</i>)	8,196,608	8,034,277
Average occupancy rate of Portfolio Shopping Malls	93.0%	92.1%
Number of Managed Shopping Malls	276	273
Operating area of Managed Shopping Malls (<i>sq.m.</i>)	13,919,918	14,021,390
Average occupancy rate of Managed Shopping Malls	91.2%	90.7%

Note: (1) See definitions in the 2020 annual report of the Company.

Management Discussion and Analysis

I. OVERVIEW

For the six months ended 30 June 2021 (the “Reporting Period”), Red Star Macalline Group Corporation Ltd. (the “Company” or “Red Star Macalline”) and its subsidiaries (collectively the “Group”) focus on the strategic positioning of growing into an “omni-channel platform service provider for the pan-home improvement and furnishings industry”, actively seized market development opportunities, and formulated the operation strategy of “one-stop design and home improvement, online and offline integration”, focusing on the development of new business formats such as Localized Online Retail (“Tongcheng Station”), home decoration, Shejyun, digital marketing, etc., aiming to enhance its delivery capabilities of home decoration design and its capabilities of online and offline traffic conversion, thereby providing customers with more personalized and high-quality home decoration services and a shopping experience closer to the needs of end consumers by using its original home furnishing shopping malls channel capabilities, strong supply chain integration capabilities and home furnishing industry operating experience accumulated over the years and leveraging its own home decoration business management platform and IMP intelligent marketing platform and Tmall “Tongcheng Station”.

Meanwhile, in terms of business model, the Company continued to implement the business model of “asset-light and operation-heavy”, which means to rapidly develop the businesses such as Managed Shopping Malls, shopping malls operated through strategic cooperation and franchised shopping malls to reduce the proportion of Portfolio Shopping Malls, thereby greatly reducing the Company’s capital expenditure, improving the efficiency of opening shopping malls and the market share. As of the end of the Reporting Period, the Group operated 93 Portfolio Shopping Malls, 276 Managed Shopping Malls, and operated 12 home furnishing shopping malls through strategic cooperation⁽¹⁾. In addition, the Group opened 67 franchised home improvement material projects⁽²⁾ by way of franchising, which included a total of 483 home improvement material stores/industry streets⁽³⁾.

I. OVERVIEW (continued)

The Portfolio Shopping Malls and Managed Shopping Malls that we operated cover 224 cities in 30 provinces, municipalities and autonomous regions, with a total shopping mall operating area of 22,116,526 sq.m. In terms of business operation, in order to centralize the related digitalization resources and capabilities of the Group, accelerate development of digitalization economy domain and empower corporate industrial chains, the Group established Macalline Digital Technology Co., Ltd. (美凱龍數字科技有限公司) during the Reporting Period, with an aim to promote the internal synergetic development and create and increase our value as a listed company. At the same time, the Company has achieved results in the aspects of smart shopping malls, business financial integration, information security and intelligent big data analysis through promoting the comprehensive digital and intelligent works in the information construction. In the future, the Company will continue to pursue the long-term development goal of becoming the most advanced and professional “omni-channel platform service provider for the pan-home improvement and furnishings industry” in China.

During the Reporting Period, the Group achieved a revenue of RMB7,502.6 million, representing an increase of 24.5% from RMB6,024.4 million for the same period in 2020. Gross profit margin slightly decreased to 63.6% from 66.9% for the same period of last year. During the Reporting Period, net profit attributable to owners of the Company after deducting non-recurring profit or loss amounted to RMB931.9 million, representing an increase of 33.0% from RMB700.8 million for the same period in 2020. As of the end of the Reporting Period, the Group’s cash and bank balances amounted to RMB6,604.5 million, representing an increase of 1.4% from RMB6,511.1 million as at the end of 2020. As of the Reporting Period, the net gearing ratio⁽⁴⁾ of the Group decreased from 76.9% as at the end of 2020 to 67.6%.

- Notes:*
- (1) The Company held 46.5% of equity interests in Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司), and became one of its largest shareholders ranked pari passu with Shandong Commercial Group Co., Ltd. (山東省商業集團有限公司). As of 30 June 2021, Shandong Inzone Green Home Co., Ltd. and its controlling subsidiaries operated 12 home furnishing shopping malls in total in the PRC. Shopping malls through strategic cooperation refer to the home furnishing shopping malls which, based on strategic objectives considered by the Company, were jointly invested, held and co-operated by the Group and its cooperation partners.
 - (2) Franchised home improvement material projects represent the home improvement material stores and home improvement material industry streets operated by the Group by way of franchising. For such franchised home improvement material stores/industry streets, the Group will not participate in the daily operation and management after commencement of the projects.
 - (3) For home improvement material stores/industry streets, the Group regards those with independent market logos as home improvement material stores/industry streets for the purpose of operation and management convenience after taking into full account the physical form of the property under operation and the types of products being sold.
 - (4) Net gearing ratio is a ratio calculated by dividing the amount of interest-bearing liabilities (including short-term loans, long-term loans, bonds payable, financial lease payables and commercial mortgage backed securities payable) less cash and bank balances by the total equity at the end of each period.

II. INDUSTRY ENVIRONMENT

In the first half of 2021, under the strong leadership of the CPC Central Committee, continuous efforts have been made throughout China to consolidate and expand the achievements in the epidemic prevention and control and the economic and social development. China's economy continues to recover steadily, showing a trend of stable reinforcement and improvement. According to the statistics of the National Bureau of Statistics of the PRC, from January to June in 2021, the GDP in China increased by 12.7% on a year-on-year basis, while the national disposable income per capita increased by 12.6% over the corresponding period of last year in terms of nominal growth, with an actual increase of 12.0% after deducting price factors. During the same period, the total retail sales of social consumer goods increased by 23.0% on a year-on-year basis, among which the retail sales of commodities increased by 20.6% on a year-on-year basis, the retail sales in furniture category increased by 30.0% on a year-on-year basis, and the retail sales in construction and decoration material categories increased by 32.9% on a year-on-year basis. In addition, the COVID-19 pandemic has accelerated the rapid development of new business formats such as big data, cloud computing and AI, which have effectively solved some pain points and difficulties in real life, and provided a powerful support for the economic recovery. In terms of these new business formats, the Company has been implementing strategic plans since 2018, and has achieved remarkable results in digital operation and marketing of shopping malls, etc. The Company has effectively solved the difficulties faced by the consumers and merchants during the COVID-19 pandemic period by establishing online investment promotion, city-wide new retail, digital marketing and other remote customer service capabilities. In the long run, the continuous promotion of urbanization process and the increase of citizens' income level will continue to boost the national demand for home improvement and furnishings. Furthermore, the home re-decoration and the consumption upgrade of home appliances will also bring room for the industry's continuous development.

III. FINANCIAL REVIEW

1. Revenue

During the Reporting Period, the Group's revenue amounted to RMB7,502.6 million, representing an increase of 24.5% from RMB6,024.4 million for the same period in 2020. The increase in revenue was primarily due to the impact of the COVID-19 pandemic on the Company last year. During the Reporting Period, the rental and related income of our Owned/Leased Portfolio Shopping Malls increased by 29.4%, which was mainly due to the decline in the occupancy rate of the Portfolio Shopping Malls of the Group in areas affected by the COVID-19 pandemic and the implementation of the rent-free policy by the Group in the corresponding period of last year. During the Reporting Period, revenue from our Managed Shopping Malls has decreased by 8.4%, mainly due to the decrease in the number of projects for the revenue recognition of construction project and business consultation services for the year. During the Reporting Period, the Company was committed to providing one-stop and individualized high-quality home decoration services, and revenue from home decoration related and sales of merchandise increased by 214.7% year on year. There was an increase in revenue from construction and design and other revenue as compared with the same period of 2020.

The following table sets forth our revenue by business segments:

	Six months ended 30 June			
	2021 (Unaudited) (RMB)	%	2020 (Unaudited) (RMB)	%
Owned/Leased Portfolio Shopping Malls	3,917,677,242.14	52.3	3,027,912,524.15	50.3
Managed Shopping Malls	1,676,074,613.59	22.3	1,828,941,707.49	30.4
Construction and design	763,101,229.34	10.2	640,753,919.60	10.6
Home decoration related and sales of merchandise	573,725,462.84	7.6	182,300,235.25	3.0
Others	572,017,990.67	7.6	344,532,479.52	5.7
Total	7,502,596,538.58	100	6,024,440,866.01	100.0

Owned/Leased Portfolio Shopping Malls: the revenue increased from RMB3,027.9 million in the first half of 2020 to RMB3,917.7 million in the Reporting Period, representing an increase of 29.4%, which was mainly due to the decline in the occupancy rate of the Portfolio Shopping Malls of the Group in areas affected by the COVID-19 pandemic and the implementation of the rent-free policy by the Group in 2020. As of the end of the Reporting Period, the number of Owned/Leased Portfolio Shopping Malls opened by the Group increased by 6 when compared with the end of June 2020, with the corresponding increase in the total operating area of 498,606 sq.m.

III. FINANCIAL REVIEW (continued)

1. Revenue (continued)

Managed Shopping Malls: the revenue decreased from RMB1,828.9 million in the first half of 2020 to RMB1,676.1 million in the Reporting Period, representing a decrease of 8.4%, mainly due to the decrease in revenue from the brand consulting and management service for the early stage of the project and commercial consultation fees and tenant sourcing commissions.

Construction and design business: during the Reporting Period, the total revenue generated from construction and design business amounted to RMB763.1 million, representing an increase of RMB122.3 million as compared to the same period in 2020, mainly due to the increase in the number and progress of construction projects compared with the previous year.

2. Cost of Sales

The cost of sales of the Group mainly included the cost of operation and management of Owned/Leased Portfolio Shopping Malls, the cost of managed services, the cost of construction and design, and the cost of home decoration related and sales of merchandise, etc. During the Reporting Period, the cost of sales of the Group was RMB2,731.6 million, representing an increase of 36.9% as compared with RMB1,994.6 million in the same period of 2020, mainly due to the Company's further strengthening of the effective control over various costs, and the reduction in revenue of some projects corresponds to the reduction in costs.

The following table sets forth our operating cost by business segments:

	Six months ended 30 June			
	2021		2020	
	RMB (Unaudited)	%	RMB (Unaudited)	%
Owned/Leased Portfolio				
Shopping Malls	942,152,412.10	34.5	722,039,515.61	36.2
Managed Shopping Malls	707,144,855.62	25.9	586,243,820.51	29.4
Construction and design	481,858,128.27	17.6	487,113,882.43	24.4
Costs from home decoration related and sales of merchandise	487,926,747.34	17.9	130,868,560.01	6.6
Other costs	112,544,002.21	4.1	68,334,469.66	3.4
Total	2,731,626,145.54	100.0	1,994,600,248.22	100.0

III. FINANCIAL REVIEW (continued)

3. Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit was RMB4,771.0 million, representing an increase of 18.4% from RMB4,029.8 million for the same period in 2020; the comprehensive gross profit margin was 63.6%, representing a decrease of 3.3 percentage points from 66.9% for the same period in 2020.

The following table sets forth our gross profit margin by business segments:

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Owned/Leased Portfolio Shopping Malls	76.0%	76.2%
Managed Shopping Malls	57.8%	67.9%
Construction and design	36.9%	24.0%
Home decoration related and sales of merchandise	15.0%	28.2%
Others	80.3%	80.2%
Total	63.6%	66.9%

4. Distribution and Selling Expenses and General and Administrative Expenses

During the Reporting Period, the Group's distribution and selling expenses amounted to RMB828.7 million (accounting for 11.0% of the revenue), representing an increase of 31.3% from RMB631.2 million (accounting for 10.5% of the revenue) for the same period in 2020, primarily due to a year-on-year increase in advertising and promotional expenses during the period as a result of the Group's implementation of targeted measures and control of the expenses of brand promotion and other activities in response to the COVID-19 pandemic last year.

During the Reporting Period, the Group's general and administrative expenses amounted to RMB882.0 million (accounting for 11.8% of the revenue), representing an increase of 18.5% from RMB744.5 million (accounting for 12.4% of the revenue) for the same period in 2020, primarily due to the Group having controlled the office business size and expenses in response to the impact of the COVID-19 outbreak in the previous year, and a year-on-year increase in relevant expenses due to the resumption of normal office business in the same period of the year.

III. FINANCIAL REVIEW (continued)

5. Financial Expenses

During the Reporting Period, the Group's financial expenses amounted to RMB1,219.5 million, representing a decrease of 9.6% from RMB1,348.4 million for the same period in 2020; among which, the total interest expense amounted to RMB1,354.6 million, which remained basically stable as compared with RMB1,330.2 million for the same period in 2020.

6. Investment Income

During the Reporting Period, the Group's investment income was RMB778.7 million, representing an increase of 446.1% as compared with RMB142.6 million in the same period of 2020, mainly due to the higher gains from the disposal of subsidiaries during the Reporting Period.

7. Income Tax Expenses

During the Reporting Period, the income tax expenses of the Group amounted to RMB651.8 million, representing an increase of 61.9% from RMB402.5 million for the same period in 2020, which was mainly due to the increase in the profit before tax during the Reporting Period.

8. Net Profit Attributable to Owners of the Company, Net Profit Attributable to Owners of the Company After Deducting Non-Recurring Profit or Loss and Earnings Per Share

During the Reporting Period, net profit attributable to owners of the Company amounted to RMB1,731.9 million, representing an increase of 57.3% from RMB1,101.3 million for the same period in 2020; the net profit attributable to owners of the Company after deducting non-recurring profit or loss amounted to RMB931.9 million, representing an increase of 33.0% from RMB700.8 million for the same period in 2020.

III. FINANCIAL REVIEW (continued)

8. Net Profit Attributable to Owners of the Company, Net Profit Attributable to Owners of the Company After Deducting Non-Recurring Profit or Loss and Earnings Per Share (continued)

	Six months ended 30 June		
	2021	2020	Increase/decrease
	(RMB) (Unaudited)	(RMB) (Unaudited)	
Net profit attributable to owners of the Company	1,731,901,543.75	1,101,316,487.91	57.3%
Net profit margin attributable to owners of the Company	23.1%	18.3%	+4.8 pts
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	931,940,142.95	700,783,934.70	33.0%
Net profit margin attributable to owners of the Company after deducting non-recurring profit or loss	12.4%	11.6%	+0.8 pts

During the Reporting Period, the Group's earnings per share was RMB0.44, as compared to RMB0.28 for the same period in 2020.

9. Accounts Receivable

As at the end of the Reporting Period, the book value of accounts receivable of the Group amounted to RMB2,231.8 million (including the balance of accounts receivable of RMB3,495.4 million and the bad debt allowance of RMB1,263.6 million), representing an increase of RMB297.0 million from RMB1,934.8 million as at the end of 2020, mainly due to the increase in relevant accounts receivable as a result of the increase in revenue of the Group from engineering construction and home decoration during the Reporting Period.

III. FINANCIAL REVIEW (continued)

10. Investment Properties and Gain from Fair Value Changes

As at the end of the Reporting Period, the book value of the Group's investment properties amounted to RMB93,539.0 million, representing an increase of 0.4% from RMB93,150.0 million as at the end of 2020. During the Reporting Period, the Group's gains from changes in fair value of investment properties were RMB217.7 million. The change in book value was mainly due to advancement in construction progress of Owned Portfolio Shopping Malls project under construction during the Reporting Period and the disposal of certain properties in the logistics sector in the period.

11. Dividends

The Board does not recommend payment of dividend for the six months ended 30 June 2021. Considering the orderly progress in the non-public issuance of A shares of the Company, there may be a time conflict between the profit distribution and the non-public issuance of shares. In comprehensive consideration of the long-term development strategy and short-term operating conditions of the Company, the Company intends not to carry out the profit distribution or conversion of capital reserve into share capital or other forms of profit distribution in 2020, in order to ensure the successful implementation of the non-public issuance of A shares of the Company and meet its existing and future investment capital needs, operating working capital turnover and other material capital arrangements, as well as its liquid capital needs during the COVID-19 outbreak.

12. Capital Expenditure

During the Reporting Period, the Group's capital expenditure amounted to RMB1,394.0 million (the same period in 2020: RMB1,348.5 million), primarily including the expenditures incurred for the acquisition of land and construction expenditures related to investment properties.

III. FINANCIAL REVIEW (continued)

13. Cash and Bank Balances and Cash Flow

As at the end of the Reporting Period, the Group's cash and bank balances amounted to RMB6,604.5 million (of which, the balance of cash and cash equivalents amounted to RMB4,414.5 million), representing an increase of RMB93.4 million from RMB6,511.1 million (of which, the balance of cash and cash equivalents amounted to RMB5,901.1 million) as at the end of 2020.

	Six months ended 30 June	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Net cash flow from operating activities	2,083,776,163.70	1,065,894,804.21
Net cash flow from investment activities	255,757,247.88	(3,734,250,078.50)
Net cash flow from financing activities	(3,825,721,734.37)	4,711,941,869.39
Impact of exchange rate changes on cash and cash equivalents	(362,631.26)	(13,494,649.41)
Net increase in cash and cash equivalents	(1,486,550,954.05)	2,030,091,945.69

During the Reporting Period, the Group's net cash inflow from operating activities amounted to RMB2,083.8 million, representing an increase of RMB1,017.9 million from a net cash inflow of RMB1,065.9 million for the same period in 2020, mainly due to the relief and delayed collection of rental and management fees under the impact of the COVID-19 pandemic in 2020.

During the Reporting Period, the Group's net cash inflow from investment activities amounted to RMB255.8 million, representing an increase of RMB3,990.1 million from a net cash outflow of RMB3,734.3 million for the same period in 2020. It was primarily due to recovery of investment fund, increase in dividend for investment projects and disposal of subsidiaries during the Reporting Period.

During the Reporting Period, the Group's net cash outflow from financing activities amounted to RMB3,825.7 million, representing a decrease of RMB8,537.6 million from a net cash inflow of RMB4,711.9 million for the same period in 2020, mainly due to the increase in repayment of debts during the Reporting Period as compared with the same period last year.

III. FINANCIAL REVIEW (continued)

14. Debt Profile and Debt Ratios

As of the end of the Reporting Period, the total amount of debt of the Group was RMB42,531.3 million, of which bank borrowings were RMB29,329.8 million, bonds payable were RMB6,467.7 million and commercial mortgage backed securities payables were RMB6,733.8 million.

The following table sets out our specific debt profile:

	As at 30 June 2021 (Unaudited) (RMB'000)	As at 31 December 2020 (Audited) (RMB'000)
Bank and other borrowings		
Secured	29,078,892	29,569,793
Unsecured	250,908	349,563
Total	29,329,800	29,919,356
Fixed-rate borrowings	7,368,492	7,256,420
Floating-rate borrowings	21,961,308	22,662,937
Total	29,329,800	29,919,356
The borrowings are repayable		
Within one year or on demand	6,679,332	7,706,927
More than one year, but not exceeding two years	3,669,069	3,143,196
More than two years, but not exceeding five years	8,544,870	8,377,401
More than five years	10,436,528	10,691,832
Total	29,329,800	29,919,356
Actual interest rate range		
Fixed-rate borrowings	3.15-8.50	3.00-11.00
Floating-rate borrowings	4.25-8.00	4.25-5.96

III. FINANCIAL REVIEW (continued)

14. Debt Profile and Debt Ratios (continued)

Name of bonds	Par value	Issue date	Maturity	As at	As at
				30 June 2021 (Unaudited) (RMB'000)	31 December 2020 (Audited) (RMB'000)
5-year US\$-denominated bonds of Hong Kong Red Star Macalline in 2017	USD300 million	2017	5 years	1,927,839	1,943,220
Corporate Bonds of 2019 of Red Star Macalline Group Corporation Ltd. (First tranche)	RMB2,000 million	2019	4 years	829	1,992,310
7-year Corporate Bonds of 2016 of Red Star Macalline Group Corporation Ltd. (First tranche)	RMB1,500 million	2016	7 years	1,500,000	1,495,683
First tranche of the medium-term notes of 2019 of Red Star Macalline Group Corporation Ltd.	RMB500 million	2019	3 years	499,487	499,052
First tranche of the medium-term notes of 2020 of Red Star Macalline Group Corporation Ltd.	RMB500 million	2020	3 years	498,658	498,227
First tranche of the medium-term notes of 2018 of Red Star Macalline Group Corporation Ltd.	RMB500 million	2018	4 years	499,388	498,471
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche)	RMB500 million	2020	3 years	498,917	498,109
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (Second tranche)	RMB500 million	2020	3 years	498,459	497,656
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) to professional investors	RMB500 million	2020	3 years	497,326	496,371
5-year Corporate Bonds of 2016 of Red Star Macalline Group Corporation Ltd. (First tranche)	RMB1,500 million	2016	5 years	46,800	46,800
Total				6,467,703.00	8,465,899

III. FINANCIAL REVIEW (continued)

14. Debt Profile and Debt Ratios (continued)

	As at 30 June 2021 (Unaudited) (RMB'000)	As at 31 December 2020 (Audited) (RMB'000)
Commercial mortgage-backed securities		
Securities due in 2021	2,386,046	2,451,754
Securities due in 2022	3,338,578	3,319,722
Securities due in 2023	1,009,158	513,376
Total	6,733,782	6,284,852

Among the total debts of the Group, the portion repayable within one year or on demand amounted to RMB16,241.0 million, the portion repayable over one year but less than two years amounted to RMB7,247.5 million, the portion repayable over two years but less than five years amounted to RMB9,084.5 million and the portion repayable over five years amounted to RMB10,775.2 million. The Group will promptly repay the above borrowings at the time of maturity.

The following table sets out our major debt ratios:

	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Unaudited)
Asset-liability ratio ⁽¹⁾	59.7%	61.2%
Net gearing ratio	67.6%	76.9%

	Six months ended 30 June 2021 (Unaudited)	2020 (Unaudited)
Interest expenses coverage ratio ⁽²⁾	2.17	1.94

III. FINANCIAL REVIEW (continued)

14. Debt Profile and Debt Ratios (continued)

- Notes:* (1) Asset-liability ratio is calculated as the total liabilities divided by total assets as at the end of each period.
- (2) Interest expense coverage ratio is our adjusted EBITDA divided by our interest expenses before capitalization for each period. Adjusted EBITDA represents profit before tax, adding back finance expenses, depreciation, amortisation and impairment, further adjusted to exclude gains on fair value changes, investment income, gains/(losses) from disposal of assets, other income, non-operating income and non-operating expenses.

15. Pledged Assets

As at the end of the Reporting Period, the Group had pledged investment properties and fixed assets with book value of RMB84,083.7 million and other equity instrument investments and restricted cash and bank balances with book balance of RMB2,038.2 million in order to obtain loans, and the balance of the loans obtained amounted to RMB35,754.1 million. The Group's restricted cash balance of RMB257.9 million has been deposited in the Central Bank as deposit reserves or used on hedging business, etc.

16. Contingent Liabilities

As at the end of the Reporting Period, the Group had no contingent liability.

17. Capital Commitments

As at the end of the Reporting Period, the amount of capital expenditure in respect of the acquisition and development of investment properties which the Group has contracted for but not recognized in the financial statements was RMB2,193.2 million. In addition, the Group has entered into agreements with its partners, pursuant to which the Group's commitment to contribute funds for development of investment properties jointly with the partners amounted to RMB314.1 million.

18. Financial Resources

In the future, the main sources of capital of the Group will be from cash generated from our operating activities, bank borrowings, issuance of bonds and share capital contributions from the shareholders. To ensure the capital of the Group is effectively utilized, the Group will continue to regularly monitor liquidity needs, comply with financing agreements and maintain sufficient cash reserves and appropriate credit limits so as to meet liquidity demand.

III. FINANCIAL REVIEW (continued)

19. Material Acquisitions and Disposals

During the Reporting Period, the Company entered into the agreement to transfer all of the equity interests it held in logistics companies, including Tibet Red Star Macalline Enterprise Management Company Limited (西藏紅星美凱龍企業管理有限公司), Red Star Macalline (Shanghai) Business Management Company Limited (紅星美凱龍(上海)企業管理有限公司), Tianjin Red Star Macalline Logistics Company Limited (天津紅星美凱龍物流有限公司), Shanghai Beibo Logistics Company Limited (上海倍博物流有限公司), Shanghai Beizheng Logistics Company Limited (上海倍正物流有限公司), Shanghai Beiyue Logistics Company Limited (上海倍躍物流有限公司), Shanghai Beimao Logistics Company Limited (上海倍茂物流有限公司) to Beijing Yuanhong Enterprise Management Consultancy Co., Ltd. (北京遠紅企業管理諮詢有限公司). The abovementioned equity transfers have been completed during the Reporting Period, the Company recognized disposal income of approximately RMB454 million, representing approximately 18.0% of the profit before tax of the Company during the first half of 2021.

20. Foreign Exchange Risk

As at the end of the Reporting Period, financial assets and liabilities denominated in currencies other than the functional currency of the Group mainly included the US\$300 million USD-denominated notes issued on 21 September 2017, the Euro short-term borrowings and certain deposits denominated in foreign currencies. To manage these additional risk exposures, the management of the Group has actively adopted relevant risk control measures to prepare for risk hedging, including selection of appropriate forward contracts and currency swaps and other foreign debt hedging instruments, enhancing internal control awareness and strategies, strengthening discussion with international banks, and closely monitored on trends of foreign exchange market. We believe that foreign exchange risks related to such assets and liabilities denominated in other currencies will not have material impacts on the operating results of the Group.

21. Significant Investment Held

During the Reporting Period, the Group did not have any significant investment. As at the Latest Practicable Date, the Group does not have any plan for material investments.

III. FINANCIAL REVIEW (continued)

22. Human Resources

As at the end of the Reporting Period, the Group employed 24,191 employees (the same period in 2020: 25,361 employees) in total. The Group enters into labor contracts with employees according to the Labor Law of the PRC and the relevant provisions of the employee's locality. The Group determines the employee's basic wage and bonus level according to the employee's performance, work experience and the market wage standard, and pays social insurance and housing provident fund for the employees. During the Reporting Period, the Group paid a total of RMB1,797.5 million for salary expenditure (the same period in 2020: RMB1,425.7 million). Meanwhile, the Group also continued to invest resources in providing various education and training opportunities for the staff, aiming to standardize the management work and improve the operation performance, and continuously improve the knowledge and technology level as well as business practice competence of the employees.

During the Reporting Period, the Company implemented the third phase of the Employee Stock Ownership Plan. As of the end of the Reporting Period, the Employee Stock Ownership Plan held a total of 15,780,000 A shares of the Company.

23. A Share Option Incentive Scheme

The Board passed a resolution on 22 February 2020, which proposed the adoption of the A Share Option Incentive Scheme by the Company ("A Share Option Incentive Scheme" or the "Scheme"), and reviewed and approved the A Share Option Incentive Scheme at the 2020 first extraordinary general meeting, A Shareholders' Class Meeting and H Shareholders' Class Meeting on 21 April 2020. In accordance with the relevant authorization, the Company convened the ninth extraordinary meeting of the fourth session of the Board on 13 May 2020 to adjust the list of Participants and the number of share options (the "Share Options") granted under the First Grant of the A Share Option Incentive Scheme, the twenty-ninth extraordinary meeting of the fourth session of the Board on 11 August 2021 to adjust the number of Share Options granted and exercise price, and cancelled certain Share Options. For details, please refer to the relevant announcements of the Company dated 23 February 2020, 21 April 2020, 14 May 2020 and 11 August 2021, and the relevant circular dated 27 March 2020.

As at 30 June 2021, a total of 25,236,000 options were outstanding under the A Share Option Incentive Scheme. Set out below are details of the outstanding options granted under the A Share Option Incentive Scheme:

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

Relevant Grantee	Number of Shares under the Options		Exercise Period	Validity Period	Exercise Price	Closing Price of the Share		Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as of 30 June 2021
	Granted	Date of Grant				immediately before the Date of Grant	As of 31 December 2020				
Employees	25,236,000 ⁽¹⁾	13 May 2020	50% from the first trading day after the expiry of the 12th month from 13 May 2020 to the last trading day of the 24th month from 13 May 2020;	Form 13 May 2020 and end on the date on which all the Share Options granted to the Participants under the Scheme have been exercised or cancelled, and shall be no longer than 36 months	RMB11.02 ⁽²⁾	RMB9.55	25,236,000	-	-	-	25,236,000 ⁽¹⁾

Notes:

- (1) In view of the implementation and completion of the profit distribution plan for 2019, the Company distributed a cash dividend of RMB0.253 (tax inclusive) per share, based on the Company's total share capital of 3,550,000,000 shares, and issued 0.1 share per share by way of conversion of capital reserve to all of its shareholders, on 11 August 2021, the Board considered and approved to adjust the number of Share Options granted under the first grant of the Share Options to 27,759,600 Share Options pursuant to the relevant provisions under the A Share Option Incentive Scheme. On the same day, the Board considered and approved to cancel 14,947,900 Share Options (including the Shares obtained upon conversion of capital reserve into share capital for the profit distribution for 2019). Please see the relevant announcements of the Company dated 11 August 2021 for details.
- (2) In view of the implementation and completion of the profit distribution plan for 2019, the Company distributed a cash dividend of RMB0.253 (tax inclusive) per share, based on the Company's total share capital of 3,550,000,000 shares, and issued 0.1 share per share by way of conversion of capital reserve to all of its shareholders, on 11 August 2021, the Board considered and approved to adjust the exercise price under the first grant of the Share Options to RMB9.79 per share pursuant to the relevant provisions under the A Share Option Incentive Scheme. Please see the relevant announcement of the Company dated 11 August 2021 for details.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

The following is a summary of the principal terms of the Scheme:

23.1 Purpose of the A Share Option Incentive Scheme

For the purpose of further improving the corporate governance structure of the Company, establishing and enhancing the long-term incentive and constraint mechanism of the Company, attracting and retaining talents, fully mobilizing the proactiveness and creativities of the core cadres of the Company, effectively promoting the cohesiveness of the core team and the core competitiveness of the enterprise, effectively aligning the interests of Shareholders, the Company and the core team, enabling all parties to focus on the long-term development of the Company, and ensuring the achievements of the development strategies and operation objectives of the Company, the Scheme is made on the premise of fully protecting the interests of Shareholders and on the principle of income equivalent to contribution, and in accordance with the requirements under the relevant laws, regulations and normative documents including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law") and the Administrative Measures on Share Incentives of Listed Companies (the "Administrative Measures"), as well as the requirements under the Articles of Association.

23.2 Number and Scope of Participants

The First Grant under the Scheme involved a total of 982 Participants. The Participants included core cadres of the Company (including subsidiaries).

In view of the fact that under such Scheme, 108 original participants resigned or voluntarily waived the exercise of their rights, on 11 August 2021, the Board of the Company considered and approved to cancel a total of 2,136,200 share options granted to such participants but not yet exercised (including the Shares obtained upon conversion of capital reserve into share capital for the profit distribution for 2019), and the number of the participants was reduced to 874.

Pursuant to the Administrative Measures, the Participants mentioned above did not include the Independent Directors, the Supervisors of the Company and any Shareholder or actual controller individually or jointly holding more than 5% of the Shares of the Company and their spouse, parents and children.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.3 Number of Shares and the Upper Limit of the Share Options Granted to the Each Participants under the Scheme

In view of the implementation and completion of the profit distribution plan for 2019, the Company distributed a cash dividend of RMB0.253 (tax inclusive) per share, based on the Company's total share capital of 3,550,000,000 shares, and issued 0.1 share per share by way of conversion of capital reserve to all of its shareholders, on 11 August 2021, the Board considered and approved to adjust the number and exercise price of the Scheme pursuant to the relevant provisions under the A Share Option Incentive Scheme. At the same time, in view of the fact that under such Scheme, 108 original participants resigned or voluntarily waived the exercise of their rights, and the performance assessment targets at the company level under the exercise conditions of the first tranche of the share options under the first grant of the Scheme have not been met, on 11 August 2021, the Board considered and approved to cancel 149,479 million Share Options (including the Shares obtained upon conversion of capital reserve into share capital for the Company's profit distribution for 2019).

After adjustment, the number of A Share Options to be granted under the Scheme is 33,935,000, representing approximately 0.87% of the total issued share capital of 3,905,000,000 shares of the Company as at the date of this report, among which, the first grant of Share Options consists of 27,759,600 shares ("First Grant of Share Options"), representing approximately 0.71% of the total issued share capital of 3,905,000,000 Shares of the Company as at the date of this report and 81.80% of the total number of Share Options under the Grant; the reserved share options consist of 6,175,400 shares ("Reserved Share Options"), representing approximately 0.16% of the total issued share capital of 3,905,000,000 Shares of the Company as at the date of this report and 18.20% of the total number of Share Options under the Grant. The aggregate number of Shares to be granted to any Participant under the A Share Option Incentive Scheme during the Validity Period shall not exceed 1.00% of the total share capital of the Company.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.3 Number of Shares and the Upper Limit of the Share Options Granted to the Each Participants under the Scheme (continued)

Each share option granted under the Scheme is entitled to purchase one A Share of the Company at the Exercise Price during the Exercise Period upon the fulfillment of vesting conditions and arrangement. The Share Options granted to the Participants shall not be transferred, used for guarantee or repayment of debts during the Vesting Period. Share Options shall not be entitled to voting rights before being exercised, and do not involve in the distribution of stock bonus and dividends. Unless otherwise provided by the lock-up provisions under the Scheme, the Participants shall be entitled to all the rights of ordinary shareholders and perform related obligations in respect of the A shares acquired by them in accordance with the law.

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme

23.4.1 Validity Period

The Validity Period of the Scheme shall commence from the Date of Grant of the Share Options, and end on the date on which all the Share Options granted to the Participants under the Scheme have been exercised or cancelled, and shall not be longer than 36 months.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme (continued)

23.4.2 Date of Grant

In accordance with the relevant requirements of the Administrative Measures, the Date of Grant of the First Grant of Share Options under the Scheme is 13 May 2020.

The Date of Grant of Reserved Share Options shall be confirmed by the Board within 12 months after the consideration and approval at the Shareholders' general meeting.

The Date of Grant of Share Options must be a trading day under SSE Listing Rules. If the date determined in accordance with the above principles is not a trading day, the Date of Grant shall be postponed to the first trading day thereafter.

23.4.3 Vesting Period

All Share Options granted to the Participants are subject to different Vesting Periods, and each of such periods shall begin on the date in which the registration of the granted Share Options is completed.

The interval between the Date of Grant and the first Exercise Date of the Share Options shall not be less than 12 months.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme (continued)

23.4.4 Exercise Arrangement

The Participants of the Scheme may begin to exercise Share Options upon the expiration of the Vesting Period. The Exercise Date must be the trading day within the Validity Period of the Scheme, but the Share Options cannot be exercised in the following periods:

- (i) 60 days prior to the announcement of the Company's annual reports, including the date of the announcement of the Company's annual report, or the period from the last day of the relevant financial year up to the date of the announcement of the Company's annual report (the shorter one prevails);
- (ii) 30 days prior to the review of the announcement of the interim report or the quarterly report, including the date of announcement of the interim report or the quarterly report, or the period from the last day of the relevant quarter or half-year up to the date of the announcement of the Company's periodical report (the shorter one prevails);
- (iii) 10 days prior to the release of the Company's results preview or preliminary report;
- (iv) the period starting from the date when a material event, which may significantly affect the trading price of the Company's stock and its derivatives, occurs or is in the process of decision-making, up to two trading days after the event being disclosed in accordance with laws;
- (v) other periods as stipulated by the CSRC and stock exchange.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme (continued)

23.4.4 Exercise Arrangement (continued)

Upon the fulfillment of conditions of the exercise of the Share Options, the Share Options are exercisable in two tranches upon expiry of 12 months from the Date of Grant. The exercise arrangement for the First Grant of Share Options and the Reserved Share Options are as follows respectively:

The exercise arrangement for the First Grant of Share Options:

<u>Exercise Arrangement</u>	<u>Exercise Period</u>	<u>Proportion of exercisable Share Options to the total number of Share Options granted</u>
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the First Grant of Share Options, and ending on the last trading day of the 24th month from the Date of Grant	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the First Grant of Share Options, and ending on the last trading day of the 36th month from the Date of Grant	50%

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme (continued)

23.4.4 Exercise Arrangement (continued)

The exercise arrangement for the Reserved Share Options:

<u>Exercise Arrangement</u>	<u>Exercise Period</u>	<u>Proportion of exercisable Share Options to the total number of Share Options granted</u>
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 24th month from the Date of Grant	50%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 36th month from the Date of Grant	50%

Share Options for which the Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next exercise period, and the relevant Share Options of such Participants shall be cancelled by the Company in accordance with the principles stipulated in the Scheme. After the end of each Exercise Period of the Share Options, the Share Options exercisable by the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.4 Validity Period, Date of Grant, Vesting Period, Exercise Arrangement and the Lock-up Period of the Scheme (continued)

23.4.5 Lock-up Period

The lock-up requirements for Shares of the Company granted to the Participants under the Scheme shall be implemented in accordance with the relevant laws, administrative regulations and normative documents including the Company Law and the Securities Law, as well as the Articles of Association. Details are as follows:

- (i) where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company that may be transferred each year during his or her term of office shall not exceed 25% of the total number of Shares of the Company held by him or her. No Shares of the Company held by him or her shall be transferred within half a year after his or her termination of office;
- (ii) where a Participant is a Director or a member of the senior management of the Company and he or she disposes of any Shares of the Company within six months after acquisition or buys back such shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains;
- (iii) if there is any amendment to the requirements regarding the transfer of Shares by Directors and senior management of the Company under relevant laws, administrative regulations and normative documents including the Company Law and the Securities Law, as well as the Articles of Association during the Validity Period of the Scheme, such amended requirements thereunder shall apply to the Shares transferred by such Participants during the relevant times.

III. FINANCIAL REVIEW (continued)

23. A Share Option Incentive Scheme (continued)

23.5 Exercise Price and Basis of Determination

23.5.1 Exercise Price under the First Grant of Share Options

The Exercise Price under the First Grant of Share Options under the Scheme shall be RMB11.02 per Share. Upon fulfillment of Exercise Conditions, each Share Option granted to the Participants can purchase one Share of the Company at the price of RMB11.02.

In view of the implementation and completion of the profit distribution plan for 2019, the Company distributed a cash dividend of RMB0.253 (tax inclusive) per share, based on the Company's total share capital of 3,550,000,000 shares, and issued 0.1 share per share by way of conversion of capital reserve to all of its shareholders, on 11 August 2021, the Board considered and approved to adjust the number and exercise price of the Scheme pursuant to the relevant provisions under the A Share Option Incentive Scheme. The adjusted exercise price under the first grant of the Share Options is RMB9.79 per share.

23.5.2 Basis of Determination of the Exercise Price under the First Grant of Share Options

The Exercise Price under the First Grant of Share Options shall not be less than the nominal value of the Shares and in principle the higher of:

- (i) the average trading price of the A Shares of the Company on the trading day immediately preceding the date of announcement of the Scheme (draft), being RMB11.02 per share;
- (ii) the average trading price of the A Shares of the Company for the 20 trading days immediately preceding the date of announcement of the Scheme (draft), being RMB11.02 per share.

23.5.3 Basis of Determination of the Exercise Price of the Reserved Share Options

The Exercise Price of the Reserved Share Options shall be consistent with the Exercise Price under the First Grant of Share Options.

In the event of capitalization of capital reserves, bonus issue, share subdivision, rights issue, share consolidation of the Company during the period from the date of announcement of the Scheme to the completion of share registration of Share Options by the Participants, the number of the Share Options shall be adjusted accordingly.

III. FINANCIAL REVIEW (continued)

24. Employee Stock Ownership Plan

In order to establish and improve the benefit-sharing mechanism between employees and the Shareholders to further improve the corporate governance of the Company, enhance the cohesion of employees and corporate competitiveness, and promote the Company's long-term, sustainable and healthy development, and in order to help enhance the employees' sense of responsibility towards the Company effectively, attract and retain outstanding management talents and core calibers, thus further enhancing employees' cohesion and the vitality of the Company, the Company formulated the Third Phase of the Employee Stock Ownership Plan of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the "Employee Stock Ownership Plan") in accordance with the relevant laws and regulations and the Articles of Association. The relevant resolutions of the Employee Stock Ownership Plan have been approved by the Board and the general meeting of the Company by resolutions on 6 February 2021 and 19 March 2021, respectively.

The Employee Stock Ownership Plan does not involve granting the Company the option to issue new shares or any other new securities, and does not constitute a share option plan under Chapter 17 of the Listing Rules. The participants of the Employee Stock Ownership Plan are Directors, Supervisors, senior management of the Company and management and core personnel of its subsidiaries, the total number of which shall not be more than 800.

The source of the funds for the Employee Stock Ownership Plan includes the participant's self-raised funds, funds withdrawn by the Company from incentive payments and other sources as permitted under the laws and administrative regulations. The Company shall withdraw funds from the incentive payments for funding the Employee Stock Ownership Plan in the proportion of the amount of self-raised funds contributed by the employees. The funds raised shall not exceed RMB300 million in total, divided into "units" for subscription and each unit is equal to RMB1.00. The total number of Shares of the Company held by any Holder according to the number of units he/she subscribed for in the plan shall not exceed 0.10% of the total share capital of the Company.

The Employee Stock Ownership Plan will be managed by an appointed professional agency with asset management qualifications through the establishment of the Directional Plan. The source of shares of the Employee Stock Ownership Plan is the shares of the Company obtained and held through purchases on the secondary market or other means as permitted under the laws and regulations within six months after consideration and approval of the plan at the shareholders' general meeting. As of 13 May 2021, all purchases of stocks had been completed under the Employee Stock Ownership Plan, among which, 15,780,000 shares of the Company had been bought through the Trust Scheme, accounting for 0.40% of the Company's total share capital as at the date of this report, with an average transaction price of approximately RMB9.50 per share and a total transaction amount of about RMB149,943,000.

The lock-up period of the Employee Stock Ownership Plan shall be 12 months, commencing from the date when the Company announces the registration of the last tranche of the Underlying Shares under the Trust Scheme, i.e. 13 May 2021 to 12 May 2022. The Management Committee will, within 12 months after the expiry of the lock-up period, be entitled to authorize the Asset Management Agency to sell or transfer the purchased Shares of the Company in accordance with the arrangements of the Employee Stock Ownership Plan and the prevailing market conditions.

IV. BUSINESS REVIEW

(I) Business Review

During the Reporting Period, the Company continued to focus on the strategic positioning of growing into an “omni-channel platform service provider for the pan-home improvement and furnishings industry”, actively seized market development opportunities, and formulated the strategy of “enhancing competitiveness of core business through new retail revolution and creating second growth curve through home improvement business”, focusing on the development of new business formats such as Localized Online Retail (“Tongcheng Station”), home decoration, etc., aiming to enhance its delivery capabilities of home decoration design and its capabilities of online and offline traffic conversion, thereby providing customers with more personalized and high-quality home decoration services and a shopping experience closer to the needs of end consumers by using its original home furnishing shopping malls channel capabilities, strong supply chain integration capabilities and home furnishing industry operating experience accumulated over the years and leveraging its own home decoration business management platform and IMP intelligent marketing platform and Tmall “Tongcheng Station”.

In terms of business model, the Company continued to implement the business model of “asset-light and operation-heavy”, which means to rapidly develop the businesses such as Managed Shopping Malls, shopping malls operated through strategic cooperation and franchised shopping malls to reduce the proportion of Portfolio Shopping Malls, thereby greatly reducing the Company’s capital expenditure, improving the efficiency of opening shopping malls and the market share. At the same time, during the Reporting Period, the Company intensified its efforts in the construction of a new generation of home improvement platform system projects, basically completed the digital and modular construction of the core process of the home improvement business and realized the release of version 1.0 of the Consumer-side mini program, marking the first step to a direct user service capability. In addition, the Tongcheng new retail sector that the Company actively developed has achieved initial results after nearly two years of refined operations. The digital upgrade of shopping malls has achieved significant results. During the Reporting Period, the digital upgrade covered 271 shopping malls. In addition to the on-site digital upgrade of the shopping malls, the Company will also further building its digital infrastructure capacity, and gradually realize the digitalization of goods and the digital construction of users, so as to create a trinity marketing platform of users, goods and shopping malls, with a view to further enhancing the ability to provide consumers with one-stop pan-home consumption industry chain services, and consolidate the Company’s market leadership in the home decoration and furniture industry in China.

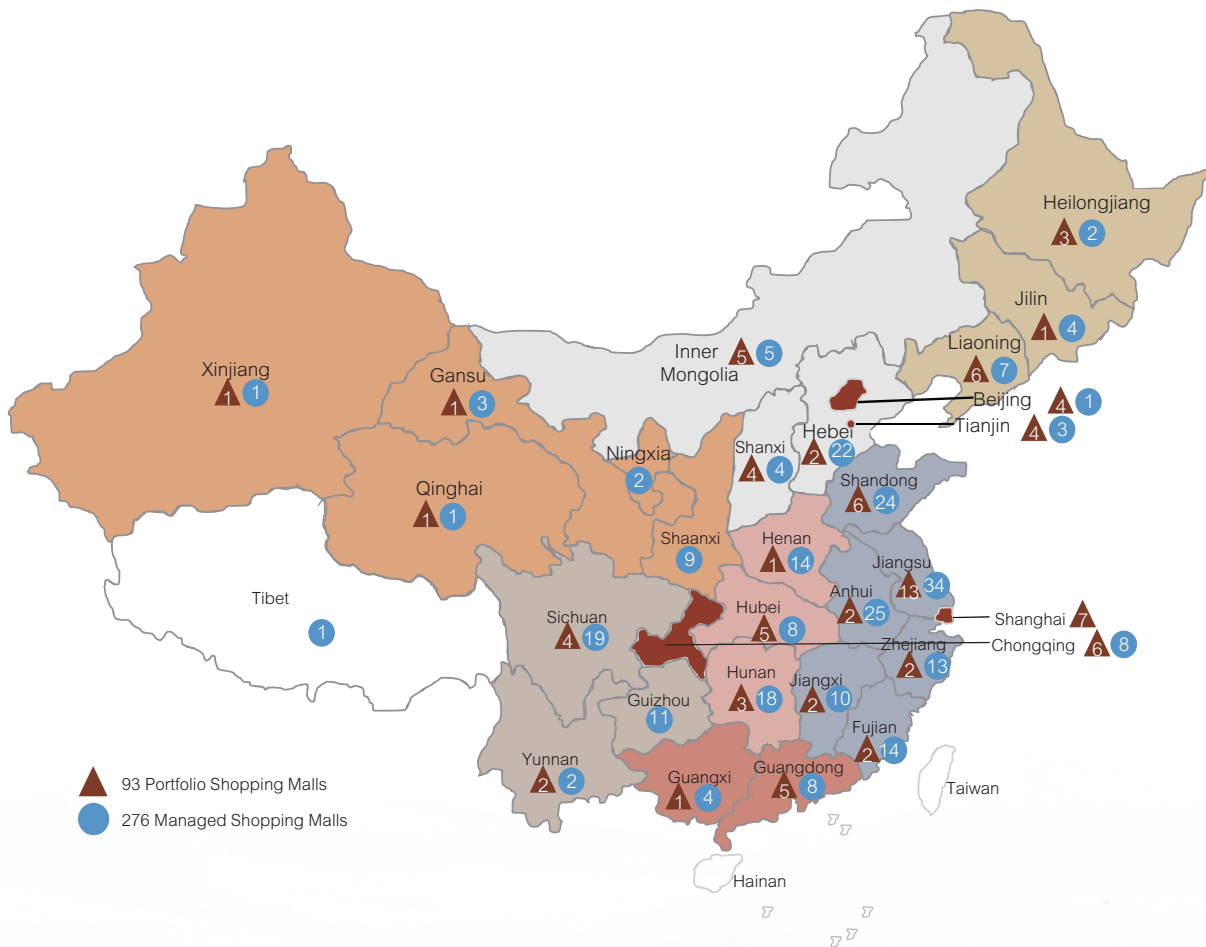
In terms of business operation, during the Reporting Period, in order to centralize the related digitalization resources and capabilities of the Company, accelerate development of digitalization economy domain and empower corporate industrial chains, the Group established Macalline Digital Technology Co., Ltd. (美凱龍數字科技有限公司) during the Reporting Period, with an aim to promote the internal synergetic development and create and increase our value as a listed company. At the same time, the Company has achieved results in the aspects of smart shopping malls, business financial integration, information security and intelligent big data analysis through promoting the comprehensive digital and intelligent works in the information construction. In the future, the Company will continue to pursue the long-term development goal of becoming the most advanced and professional “omni-channel platform service provider for the pan-home improvement and furnishings industry” in China.

IV. BUSINESS REVIEW (continued)

(I) Business Review (continued)

1.1 Business Development and Deployment: Steady Development of Strategic Deployment with a Nationwide Coverage

The following map sets forth the geographical distribution of our shopping malls as at the end of the Reporting Period:













Note: Geographically, Northeast China includes Heilongjiang Province, Jilin Province, Liaoning Province; North China (excluding Beijing and Tianjin) includes Shanxi Province, Hebei Province, Inner Mongolia Autonomous Region; East China (excluding Shanghai) includes Shandong Province, Jiangsu Province, Zhejiang Province, Anhui Province, Jiangxi Province, Fujian Province; Central China includes Hunan Province, Hubei Province, Henan Province; South China includes Hainan Province, Guangdong Province, Guangxi Zhuang Autonomous Region; West China (excluding Chongqing) includes Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, Yunnan Province, Sichuan Province, Guizhou Province, Tibet Autonomous Region.

IV. BUSINESS REVIEW (continued)

(I) Business Review (continued)

1.1 Business Development and Deployment: Steady Development of Strategic Deployment with a Nationwide Coverage (continued)

Color	Region	Portfolio Shopping Malls		Managed Shopping Malls	
		Number of shopping malls	Sub-total Operating Area (sq.m.)	Number of shopping malls	Sub-total Operating Area (sq.m.)
	Beijing	4	344,275	1	112,885
	Shanghai	7	904,848	0	0
	Tianjin	4	459,566	3	178,197
	Chongqing	6	450,459	8	265,282
	Northeast China	10	1,063,534	13	626,515
	North China	11	664,879	31	1,598,357
	East China	27	2,340,393	120	6,424,869
	Central China	9	940,978	40	1,802,819
	South China	6	273,993	12	609,175
	West China	9	753,684	48	2,301,820
	Total	93	8,196,608	276	13,919,918

IV. BUSINESS REVIEW (continued)

(I) Business Review (continued)

1.1 Business Development and Deployment: Steady Development of Strategic Deployment with a Nationwide Coverage (continued)

As of the end of the Reporting Period, the Group operated 93 Portfolio Shopping Malls, 276 Managed Shopping Malls and 12 home furnishing shopping malls through strategic cooperation⁽¹⁾. In addition, the Group authorized 67 franchised home improvement material projects⁽²⁾ to commence business by way of franchising, which includes a total of 483 home improvement material stores/industry streets⁽³⁾. Portfolio Shopping Malls and Managed Shopping Malls of the Group cover 224 cities in 30 provinces, municipalities and autonomous regions in China, with a total operating area of 22,116,526 sq.m. Through the business model of Portfolio Shopping Malls and Managed Shopping Malls, the Group occupied properties in prime locations of Tier I and Tier II Cities, rapidly increased the proportion of shopping malls operated through strategic cooperation and franchising, accumulated extensive experience in operating shopping malls, constantly strengthened the brand value, and set a relatively high entry barrier for other companies. As of the end of the Reporting Period, the Group operated 93 Portfolio Shopping Malls, covering a total operating area of 8,196,608 sq.m., with an average occupancy rate of 93.0%. Among these Portfolio Shopping Malls, 21 Portfolio Shopping Malls, representing 22.58% of the total number of Portfolio Shopping Malls, were located in the four municipalities of Beijing, Shanghai, Tianjin and Chongqing; the operating area of the above-mentioned Portfolio Shopping Malls was 2,159,148 sq.m., representing 26.34% of the total operating area of the Portfolio Shopping Malls. During the Reporting Period, the Group converted one Managed Shopping Mall to Portfolio Shopping Mall. As of the end of the Reporting Period, the Group had 21 pipeline Portfolio Shopping Malls. As of the end of the Reporting Period, the Group operated 276 Managed Shopping Malls covering a total operating area of 13,919,918 sq.m., with an average occupancy rate of 91.2%. Among these Managed Shopping Malls, 151 Managed Shopping Malls, representing 54.7% of the total number of Managed Shopping Malls, were located in eastern China and northern China (excluding Shanghai, Beijing and Tianjin). The operating area of the aforesaid Managed Shopping Malls was 8,023,226 sq.m., representing 57.6% of the total operating area of Managed Shopping Malls. During the Reporting Period, the Group opened seven new Managed Shopping Malls and closed three Managed Shopping Malls. In addition, one Managed Shopping Mall was converted into Portfolio Shopping Mall. As of the end of the Reporting Period, among the pipeline Managed Shopping Malls, the Group has obtained land use rights certificate/land parcels for 346 contracted projects. Along with steady social and economic development of the country, further progress of urbanization strategy, and stable growth in disposable income per capita, the Group will focus on increasing the rate of expansion of our Managed Shopping Malls business throughout China.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration”

The steady advancement of urbanization process, the increase of real estate development investment and the potential increase of residential area arising from residential construction in China have become important driving forces for the development of China’s home improvement and furnishing industry in the future. Meanwhile, the trend of residents’ income growth and consumption upgrade also brings new growth points for the upgrade of home improvement and furnishing industry. In addition, the development and application of Internet, big data and other technologies are driving the development of new retail mode in the industry. The new retail mode characterized by online and offline integration, commodity and service integration and industrial chain integration is gradually becoming the new development direction of the current home decoration and furnishing industry. In such an external environment, the Company has begun to seek changes actively since 2019. In May 2019, the Company signed a strategic cooperation agreement with Alibaba to jointly expand business layout in the new retail sector, aiming to introduce Alibaba’s advanced business philosophy and technical support in the new retail sector to the online and offline integration platform, consolidate the online and offline sales channels and enhance the core competitiveness of traditional main business. At the same time, the Company has established the Red Star Macalline Home Decoration Business Division, which is committed to providing consumers with whole package services covering decorative design, engineering construction and R&D, main furniture and soft accessories, smart home furnishings and residential equipment for villas, houses, hotel apartments, delicately decorated apartments, commercial and office space, etc., to drive the sales in the shopping malls comprehensively. Adhering to the long-term vision of “building a cozy and harmonious home and improving the taste in shopping and home life”, conforming to the new market changes and combining with its own strengths, the Company has formulated the strategy of “one-stop design and home improvement, online and offline integration”, focusing on the development of new business formats such as Tongcheng Station, home decoration, Shejiyun, digital marketing, etc., aiming to enhance the delivery capabilities of home decoration design and conversion capabilities of online and offline traffic, thereby providing customers with a shopping experience closer to the needs of end consumers and more personalized and high-quality home decoration services by using the original home furnishing shopping malls channel capabilities, strong supply chain integration capabilities and home furnishing industry operating experience accumulated over the years and leveraging its own home decoration business management platform and all-fields digital marketing platform and Tmall “Tongcheng Station”.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.1 One-stop Design and Home Improvement

According to the *Analysis Report on Market Prospect and Investment Strategic Planning of the Home Furnishing Industry in China* issued by the Prospective Industry Research Institute, the market size of China’s home decoration industry was RMB2.61 trillion as of the end of 2020. While the market has tremendous development potential, the access threshold of home decoration industry is quite low. The industry mainly consists of small and medium-sized enterprises which face many difficulties such as backward management mode, low degree of standardization, no guarantee of construction and delivery quality, environmentally unqualified materials, no guarantee of after – sales service, etc.. According to the data of China Construction Industry Association, there were 120,000 building decoration enterprises in China as of 2020, less than 50 enterprises were with national layout (referring to those conducting business in at least three provinces), and 65% of the small enterprises had no qualified operation qualifications. Facing these problems and the “big industry, small companies” pattern in the home decoration industry, the Company has been committed to solving customers’ problems by relying on its strong supply chain integration capabilities, its nationwide physical shopping mall network and its own home decoration business management system platform, and is dedicated to creating a national home decoration brand integrating design, materials selection, construction, intelligence, environmental protection and service, and providing one-stop and individualized high-quality services characterized by “choosing decoration and buying furniture all in Red Star Macalline”.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.1 One-stop Design and Home Improvement (continued)

2.1.1 Diversified Channel Layout Promotes the Business Growth

The Company has opened up diversified channels including cooperation with real estate developers, opening of direct-operated stores in home decoration shopping malls, implementation of partner systems to expand franchise stores, etc., so as to bring in customers for the shopping malls and merchants, and meanwhile effectively reduce customer-acquiring costs of the home decoration stores and shopping malls, thus creating a synergistic effect. As of the end of the Reporting Period, the Company had 314 self-operated home decoration stores nationwide. Relying on Red Star Macalline’s offline shopping mall network, the home decoration stores covered more than 200 cities in 25 provinces, municipalities and autonomous regions in China. In addition, the Company is upgrading the home decoration platform system to a new generation, which can help the Company to upgrade its production tools with modern information technology and comprehensively improve the efficiency of home decoration, batch home decoration and industrial renovation businesses, so as to gain a higher market share.

By integrating upstream multi-category home decoration products and abundant designer resources, establishing its own construction staff system subject to a professional training and systematic assessment and in combination with the integrated delivery capacity of the widely distributed nationwide store network, the Company will create a national home decoration brand that is trustworthy, allows customers to be rests assured and complies with the aesthetics of life. By integrating the upstream multi-category home decoration product resources, the Company will build a scene exhibition hall, an after-sales exhibition hall and a service exhibition hall in the home building material mall of more than 22,000,000 m² to provide one-stop all-rounded service experiences to the customers. During the Reporting Period, Decoration Industry Group and Liang Zhitian design studio reached a strategic cooperation. In the future, they will conduct preliminary discussions on the cooperation of high-end designers to open up the full supply chain service of high-end design, luxury home construction and top home building materials for the high-end luxury house business, and create more forward-looking design capabilities, delivery capabilities and supply chain capabilities, and jointly formulate the “seven-star standard” for top-level residential housing, integrating art into the space.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.1 One-stop Design and Home Improvement (continued)

2.1.2 Full Coverage of the Brand Dimension Helps the Layout of Differentiated Markets

In terms of the differentiated layout of home improvement brands, during the Reporting Period, its high-end self-contained brand – Macalline Zunke officially opened and operated, focusing on the aesthetics of life design and serving consumers who relish high-end self-contained style, with its products meet the aesthetics and needs of high-net-worth individuals. At the same time, the one-stop solution launched by Macalline Zunke can guarantee the five certainties, namely design certainty, product certainty, price certainty, quality certainty and construction period certainty and provided smart and convenient high-end outfitting for various families, bringing in a simple, deterministic, continuous, safe and reliable full-scene life interactive experience. During the Reporting Period, “Better Home”, which focuses on the mid-range consumer market, opened 4 direct-operated stores in Shanghai and Beijing and has achieved initial results since its establishment at the beginning of the year.

In addition, relying on Red Star Macalline’s accumulated supply chain integration capabilities for decades, it provides public decoration customers with integrated supply chain services for decoration. It has now become a strategic competent service provider for real estate companies such as China Resources Land, Gemdale Group, Zhongjun Group, and Shimao Group. At the same time, through the source purchase of Red Star Macalline’s existing over 10,000 strategic alliance brands and 1,000 core brands, the synergy with Red Star Macalline’s home retail business has been achieved.

In terms of the digital home improvement business, during the Reporting Period, the digital and modular construction of the core process of the home improvement business was basically completed, and the integration of business-financial data was realized. At the same time, version 1.0 of the Consumer-side mini program was launched, marking the first step to a direct user service capability, and supported functions such as traffic acquisition, brand display, service process, and site visualization.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.2 Incorporation of Digital Technology Group, Highlighting Online and Offline Integration

During the Reporting Period, in order to centralize the related digitalization resources and capabilities of the Company, accelerate development of digitalization economy domain and empower corporate industrial chains, the Group established Macalline Digital Technology Co., Ltd. during the Reporting Period, with an aim to promote the internal synergetic development and create and increase our value as a listed company.

2.2.1 Localized Online Retail (“Tongcheng Station”)

As a leading home furnishing retail company in China, in its new retail layout, Red Star Macalline has fully considered the characteristics of the home furnishing industry, pioneered an online and offline Tongcheng retail model in the industry, and established the first digital shopping mall in China’s home furnishing industry to promote the industry digital transformation. In 2019, the Company signed a strategic cooperation agreement with Alibaba to jointly expand business layout in the new retail sector, aiming to introduce Alibaba’s advanced business philosophy and technical support in the new retail sector to further promote the Company’s pan-home improvement and furnishings consumption industry chain services. The “Tongcheng New Retail” project between the Company and Tmall is a core part in the above-mentioned strategic cooperation between the Company and Alibaba, aiming at providing better home furnishings shopping experience for users with the help of Tmall online empowerment and in combination with the offline shopping malls and services of Red Star Macalline. As the main front of Home Decoration Tongcheng New Retail, “Red Star Macalline official flagship store” on Tmall platform (hereinafter referred to as “Tmall Tongcheng Station”) adopts LBS (Location Based Services) technology to display localized products and undertake localized services and can push the localized digital store interface to users according to their geological location. After a user enters the interface of “Tmall Tongcheng Station”, the back-office system will automatically generate information about the goods and services of the Macalline offline shopping mall where the user is located. Then the user can consult about or purchase the household products in the shopping malls of Red Star Macalline, and learn the details of the products through pictures, videos, and 3D scenes, and other means. After selecting specific products, the user can directly purchase them online or at nearby stores, and can simultaneously select warranty extension, Credit Pay Installment (“花呗分期”), and other value-added services. After placing the order, the user can choose to pick up the products in the offline stores or request brand dealers to deliver and install them at home. As such, the integration of “displays, orders, payments, services” is achieved.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.2 Incorporation of Digital Technology Group, Highlighting Online and Offline Integration (continued)

2.2.1 Localized Online Retail (“Tongcheng Station”) (continued)

During the Reporting Period, the Company continued to deepen its strategic cooperation with Alibaba based on the purpose of “focusing on user needs”, established an online and offline integrated operation system around “Tmall Tongcheng Station”, fully empowered offline operation and promoted the new retail transformation of the home furnishing industry. As of the end of the Reporting Period, the Company launched businesses at the Tmall Tongcheng Station in 28 cities, covering 73 shopping malls. The digital upgrade has covered 271 shopping malls. Behind the online and offline Tongcheng retail model is Red Star Macalline’s determination to promote the digital transformation of the home furnishing industry, namely to carry out digital construction in all offline shopping malls of Red Star Macalline and assist all admitted brands tenants and dealers to carry out construction of online operation site, including online operation of products, marketing, services and management. During the Reporting Period, Tmall Tongcheng Station covered a total of nearly 690,000 online products, achieving 42.56 million online traffic within Tongcheng Station, including 41.11 million independent visitors leading to products and taking lead in various business indicators of the industry.

During the Reporting Period, during the 2021 Tmall “618” event, Red Star Macalline’s global sales totaled RMB8.63 billion, online guided sales were RMB2.745 billion, and the number of consumers increased by 31% year-on-year. The number of online merchandise visitors to Red Star Macalline’s Tmall Tongcheng Station increased by 108% year-on-year, and nearly 20,000 sales orders were reached at the Taobao live streaming platform, an increase of 186% year-on-year, and Tmall Tongcheng Station guided transaction value increased by more than 500% year-on-year. At the same time, merchants were actively encouraged to conduct online live broadcast to sell goods. During the Reporting Period, a total of 102,307 broadcasts were conducted in the first half of the year, with a total of 42.19 million viewers. With a total of 159,000 online guided transactions, we have become the largest content production organization in the home furnishing industry. At the same time, the Company further deepened its cooperation with brands on Tmall. The Company attracted brands on Tmall to establish online and offline stores through Tmall Tongcheng Station to supplement product categories and price systems, so as to help the rental and operation of shopping malls and enhance the competitiveness of hypermarkets.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.2 Incorporation of Digital Technology Group, Highlighting Online and Offline Integration (continued)

2.2.2 3D Design Cloud (“Shejiyun”)

During traditional home decoration design process, designers will prepare renderings for consumers using general models stored locally. The problems of this method are the long production cycle and consumers will not be able to purchase the products demonstrated in the design renderings in real life. To solve this pain point in home furnishing design, the Company developed “Shejiyun” software independently, which has truly realized “what you see is what you get”.

The Shejiyun online intelligent 3D cloud design software for home improvement takes the dual-engine technology of “full parameterization and physical rendering” as the core, combines technologies such as cloud computing, big data and AI technology, and relies on the advantages of real product models and movie-level rendering to empower partners improve the efficiency of online design, thereby building a scene-based experience and realizing a comprehensive marketing upgrade. The five customized modules of Paving, Background Wall, Ceiling, Wardrobe, Cabinet based on Design Cloud enables shopping guides or designers to accurately and efficiently complete various complex shapes, easily complete personalized designs to meet customers’ diverse customization needs. After completing the design plan, the store shopping guide or designer can generate 5K+ renderings and 12K+720° panorama with one-click rendering. After the panorama is generated, the installation company or designer can share the social circle with one-click, and use the panorama program to achieve multiple channel content marketing, and seize traffic through online live broadcasts, RTX video sharing, etc., and accurately connect appointments through user reservations and other functions to more efficiently acquire potential customers. As of the end of the Reporting Period, Shejiyun has contained 820,000 estate floor plans and 300,000 real product model, with users of more than 120,000.

IV. BUSINESS REVIEW (continued)

(II) Robust Development in Expansionary Business: Continued Upgrade in Strategy of “One-stop Design and Home Improvement, Online and Offline Integration” (continued)

2.2 Incorporation of Digital Technology Group, Highlighting Online and Offline Integration (continued)

2.2.3 All-channel Operation Centre

During the Reporting Period, the Company has been devoted to building an all-field digital marketing platform, including systems of SCRM user pool, CDP user data center, etc. which are constructed with the aid of digital contacts. By means of building a “customer journey” to support “marketing automation”, we could integrate the operation of users from all sources and achieve “all-field digital marketing”, and to carry out in-depth “customer value analysis and exploration” through integration of online e-commerce platform, content platform, offline entity data and self-built service platform, etc. Moreover, such platform can empower brand factories and dealers to produce contents and support one-click release of contents in all fields through the content engine SAAS products. To efficiently transform customers between the Red Star Macalline offline stores and online Tongcheng Station and empower such stores, such platform helps getting customers, connection, deep cultivation and transformation in all-field user pools.

(III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy

Based on the strategic layout of “asset-light and operation-heavy”, during the Reporting Period, the Company has adhered to in a proactive manner, the Company has elevated the upgrade efficiency of its group structure from inside to outside, assisted home furnishing brands and dealers to continuously deepen the regional markets, through seven material measures of shopping mall layout upgrade, strategy upgrade, business deepening, nine major theme pavilions upgrade, 1 mall online store upgrade, marketing and operation service upgrade, Five Exhibitions in Three Cities – League of Exhibition • Store. In the meantime, we continued to implement eight material regional strategies, aiming to break down regional barriers, empower business partners from various aspects and enhance efficiency.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.1 Merchant Sourcing Management

3.1.1 Continuously optimize the layout of brands and categories by focusing on construction of nine theme pavilions and “Home Furnishing No. 1 Store” (家居1號店)

In the face of the market consumption situation and market competition trend, the Company continued to increase efforts to introduce mainstream brands and categories that meet consumer demands and to optimize the layout of brands and categories and promote experience consumption by creating home life experience pavilion. In 2021, the Company upgraded the strategy of nine theme pavilions, covering nine categories of smart electrical appliances, international imports, living room design, high-end customization, soft decoration, system doors and windows, boutique bathroom accessories, sleep and life, trend furniture, to help more home furnishing brands to broaden their regional markets through Red Star Macalline platform.

Regarding the upgrade of the “Home Furnishing No. 1 Store”, the Red Star Macalline’s high-end home furnishing brand positioning was leveraged to achieve regional high-end home furnishing consumption mentality seizures. We continued to promote the strategic launching of one model shopping mall in one province in 2021, accelerated the construction of “1 mall” in 31 regions nationwide.

3.1.2 Constantly improve the standards of our refined rental management and leverage the IMP to increase the sales volume of tenants, thereby achieving sustainable growth of rental income

During the Reporting Period, the Company used Longyi big data system to visually analyze and guide the daily rent pricing and renewal price adjustment of shopping malls, and further refined rent pricing management by adding the system and manual calibration functions, so as to improve management efficiency by improving the booth rent grading and pricing mechanism, thus ensuring sound and sustainable growth in the overall rental income.

At the same time, the Company leveraged the innovative marketing model of IMP to share resources with dealers and brands, and doubled the sales volume of the brands and categories through three newly developed major marketing projects, namely Super City Shopping, Super Category Festival and Super Promotion for Top Brands, which significantly enhanced the loyalty of tenants to the brand of Red Star Macalline and increased the rental income.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.1 Merchant Sourcing Management (continued)

3.1.3 Constantly strengthen factories of brands and service systems of dealers to establish a business middle-office for tenant sourcing, so as to improve the ability to serve brands and dealers

During the Reporting Period, at the service terminal of the brand factory, the Company continued to optimize the key customer service system, further upgrade functions such as data visualization of key customers, precise linkage with channel promotion. Meanwhile, it continued to launch and open the service platform for online communication between brands and customers, establish exclusive service accounts, and improve the service efficiency and cooperation stickiness of key customers. At the dealer service terminal, the Company continued to strengthen the research on the core dealers' information in shopping malls nationwide with the help of Longyi system, and form into data precipitation, so as to further improve the service ability of dealers, thereby improving the business efficiency of merchants and reducing operating costs.

In addition, at the time of the outbreak of COVID-19 last year, the Company quickly set up a tenant sourcing business middle-office to integrate factories, shopping malls and dealers, and launched a new model of online road shows, namely, strictly selecting merchant sourcing, to integrate online and offline tenant sourcing. During the Reporting Period, the Company provided a total of 55 commercial cooperation and new hot-selling potential brands with carefully selected investment promotion services, and a total of 2,474 online intention payments were made. As of the end of the Reporting Period, the store area of carefully selected merchant brands has exceeded 166,700 square meters. The Company's team for carefully selected investment promotion helps commercial cooperative brands and new hot-selling brands to increase their ability to connect with distributors, and helps brands enhance the effect of investment promotion, thereby filling the gap in the market.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.1 Merchant Sourcing Management (continued)

3.1.4 Bring together outstanding global brands through exhibitions, accelerate the implementation of the strategy of three cities, five exhibitions, and exhibition and store alliance

In terms of three cities and five exhibitions – exhibition and store alliances, Red Star Macalline will accelerate the height, breadth and depth of strategic cooperation with CFTE, the largest home furnishing exhibition brand in China. After exclusively hosting CBD-IBCTF (Shanghai), China (Shanghai) International Furniture Fair, CBD Fair (Guangzhou), CBD Fair (Shenzhen), and on 18 March, it signed a strategic cooperation agreement with CFTE to exclusively host China (Guangzhou) International Furniture Fair. During the Reporting Period, a total of 68 various themed events were held on-site at the China Construction Expo. By building a new development pattern for the chain exhibition platform of “seeing Guangzhou Pazhou in March and Shanghai Hongqiao in September”, it helped household brand manufacturers and distributors to outperform the new development of the regional market.

3.2 Operational Management

During the Reporting Period, the Company promoted upgrading of operational management with focus on on-site management, environmental publicity, service optimization, talent development. By means of upgrading intelligent customer service and operating risk control system, we updated and optimized the operational management standards, commodity quality management system and merchant credit management system, to achieve all-round improvement of customer home furnishing consumption experience and satisfaction.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.2 Operational Management (continued)

In terms of operating management standards, the Operating Standards Management Manual 2021 Version was updated and released during the Reporting Period, and the update involved 40 operating management standards. In terms of shopping mall management and supervision, the Company continued to adopt on-site management mechanism with three-level inspection as the core, for the comprehensive inspection and rectification of shopping malls. At the same time, it constantly supervised the provincial business development centers to improve their self-inspection and self-examination capabilities, forming a self-inspection, self-examination and self-driving management mechanism. During the Reporting Period, 431 video inspections of shopping malls were completed, 105 joint inspections and 21 normalized inspections were conducted, and the length and depth of various types of inspections were increased, so that the results of on-site inspections could more truly reflect the daily operation status of the shopping malls.

In terms of the product quality management system, during the Reporting Period, the Company upgraded the environmental protection inspection system in all fronts, and cooperated with 14 authoritative third-party inspection agencies to coordinate the detection of mysterious buyers in shopping malls nationwide, monitor key category brands, and a total of 1,180 batches of mysterious buyers were sampled and tested, and 2,020 batches of shopping malls completed normalized testing. In terms of green consumption leadership, the green screen of the terminal has been upgraded, and the home shopping popular science live broadcast has been carried out, with a total of 1.56 million viewers.

Regarding the merchant credit system, the Company continued to upgrade the merchant credit management system, combining key indicators such as consumer evaluation, sales index, and delivery and installation satisfaction, to promote and upgrade the merchant credit management visual identification system, and to enhance consumers' perception of merchant credit classification. During the Reporting Period, the Company carried out pilot upgrades to the merchant credit management plan and merchant house materials and realized real-time and convenient online inquiry of merchant credit mini programs in major shopping malls across the country. During the Reporting Period, a total of 2.12 million inquiries were made. Meanwhile, we attached great importance to the operation of small and micro merchants, and organized seminars to help merchants in shopping malls across the country. In addition, to further strengthen the management of credit blacklists, we realized online credit blacklist reporting, review, and sharing, and improved the convenience of sharing credit data of system merchants.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.2 Operational Management (continued)

In terms of customer service system, the Company promoted service upgrades centered on home-based services to ensure that there is no major operating accident in shopping malls nationwide. At the same time, a customer complaint management mechanism focusing on improving customer satisfaction with complaints was implemented. As of the end of the Reporting Period, the management goal of 92% customer complaint handling satisfaction and 3 days for general customer complaint handling timeliness was achieved. In addition, the Company implemented an operational risk control system upgrade centered on risk control, established a major customer complaint linkage mechanism through cooperation with the commodity division, and jointly initiated the industry’s first “Soft Decoration Brand Joint Convention” with the Group’s soft decoration division to reconstruct the development order of the soft decoration market. In June 2021, Red Star Macalline’s after-sales service was recognized by the competent authorities in Shanghai, and was awarded as “2020 Shanghai Outstanding Consumption Unit for Safe Consumption in Shanghai” (2020年上海市放心消費創建優秀單位) by the Shanghai Municipal Administration for Market Regulation. During the Reporting Period, “Home-based Services”, combined with the 15 March World Consumer Rights Day and major category carnivals, organized a series of activities such as the soft furnishing renewal service season, the borderless sofa service season, and the home appliance cleaning service season. As of the end of the Reporting Period, professional home services has been provided to more than 260,000 families, and the service satisfaction rate is as high as 96.25%.

In terms of intelligent customer service system, in order to improve customer reach rate and convenient use, the Company further optimized the upgrade iteration of the database of the intelligent customer service system during the Reporting Period, and improved the accuracy of intelligent customer service responses at the same time to ensure more timely and accurate responses to customer feedback. During the Reporting Period, the customer services delivered via the intelligent customer service system accounted for nearly 70% of the total customer services provided by the Company, while the manpower customer service transferred from intelligent customer service accounted for only 30%.

As of the end of the Reporting Period, the net recommendation value was 67.76%, the overall satisfaction rate was 95.91%, of which, the service satisfaction rate was 95.92%, the delivery and installation satisfaction rate was 95.15%, the commodity satisfaction rate was 95.43%, and the environmental satisfaction rate was 96.92%.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.3 Marketing Management

As the home furnishing industry gradually enters the era of refined management, Red Star Macalline’s Super Category Carnival came into being under this trend. The Super Category Carnival created by Red Star Macalline has become an extremely influential category marketing activity both inside and outside the industry. As at the end of the Reporting Period, we successfully held six super product category carnivals, including “Super Sofa Category Carnival”, “Super All-House Furniture Category Carnival”, “Super Cabinet Category Carnival”, “Super Floor Category Carnival”, “Borderless Sofa Category Carnival” and “Super Children’s Furniture Category Carnival”. A total of 21,000 consumers made the intention payment, and the total sales reached RMB724 million, a year-on-year increase of 30.3%. Such activities precisely helped home furnishing brands and dealer, and doubled the sales volume. In addition to live stream shopping, the Super Category Carnival will also incorporate more innovative gameplay to build a pivotal position of each category in the home furnishing industry, and create a nationwide consumption holiday IP for single-category home furnishing with the widest coverage, the highest content quality, and the most interactive in furnishing history.

Meanwhile, the Company continued to iterate the IMP (Intelligent Marketing Platform), a global home furnishing intelligent marketing platform, and upgraded Red Star Macalline from a one-stop home furnishing shopping mall to an online and offline all-fields super-traffic shopping mall in home furnishing industry, and from relying on natural traffic from shopping malls to generating traffic by merchants. IMP has not only independently developed the 2B (for dealers) and 2E (for brand dealers) digital marketing system – “Tumbling Cloud” (“筋斗雲”) for operation in the home decoration and home furnishing industry, but also established the largest data center in the home furnishing industry with the strategic support of Alibaba Cloud. They jointly customized more than 2000 exclusive user volume labels for the home decoration and home furnishing industry, and installed a powerful data engine for Tumbling Cloud, enabling Red Star Macalline and the home decoration brand and dealers in the platform to upgrade from the traditional marketing model to the digital user operation model covering the full domain, full scenario, full link and full cycle. By virtue of the big data capability, Red Star Macalline has become the traffic interface of the home furnishing industry. Through IMP, various major online traffic platforms in different scenarios, such as search engine, social networking, e-commerce, information, entertainment, tools, etc. can be connected to accurately reach middle-and high-end home furnishing users and attract customer traffic all over the domain.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.3 Marketing Management (continued)

Thanks to the IMP platform, the Company continues to deepen the brand-new home furnishing joint marketing mode subject to online interactive traffic attraction and offline experience transaction with brand tenants and merchants, empowering the entire industry to rapidly build a digital, full-domain, full-scenario full-link and full-cycle user operation community, and gradually solve the marketing pain points of difficult access to accurate traffic, high traffic cost and low traffic utilization rate. During the Reporting Period, through focusing on eight major traffic operation channels, including community marketing, DMP delivery, live broadcasting, member marketing, real estate marketing, etc., we explored traffic operation SOP, empowered shopping mall planning marketing personnel, created shopping mall private domain traffic pool. Depending on the Tongcheng Shopping, Super Elected Ace and other joint marketing products, through persistent optimization of the quality case database and implementation of operational norms, and continuous improvement of sales returns from joint marketing projects to brand factories and merchants, we attracted more brand factories and merchants to participate in the joint marketing.

In terms of the self-media matrix, during the Reporting Period, through WeChat, Weibo, Douyin, Wechat Video Account, Xiaohongshu and other self-media platforms, a total of about 1 billion exposures on the entire network was achieved, creating a communication value of RMB20.73 million (calculated at a CPM of RMB22). In terms of the live broadcast marketing matrix, during the Reporting Period, 4 live broadcasts at the Group level and 1,494 live broadcasts at the shopping mall level were carried out.

During the Reporting Period, the Company and ByteDance’s two major 2B platforms “Ocean Engine” and “Volcano Engine” jointly launched the “Double Engine Project” to explore new marketing models based on the home furnishing industry scenario.

In terms of digital operation and management, we are committed to building a home-featured marketing management platform that links global traffic, covering three major sections: event marketing, traffic operation, and smart management. We refined core functions and capabilities such as online and offline combined event content editing, task template management, smart marketing core, and traffic distribution management, marketing fission incentives, AI interaction and live broadcast, and private domain community operations, to empower business with products, and achieve the goal of improving efficiency and reducing costs with technology.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.4 Brand Management

3.4.1 Empower category management and establish consumer mentality

Based on the Group’s strategic category adjustment and the implementation of the “Nine Theme Pavilions” business model, the Group established 29 industry benchmark category activities during the Reporting Period, and held opening activities for 2 phenomenal theme pavilions with the theme of “Tide” (Smart Home Appliance Hall, Smart Sleeping Hall). At the same time, it continued to promote the three major IP projects of “Round Table” (圓桌派), “Home Furnishing Face to Face” (家居面對面), and “Super Face to Face” (超級面對面). In the meantime, Red Star Macalline and China Quality Certification Center, China Building & Decoration Fair, etc. jointly held the first China Window-Door Exhibition 2021 and hosted the 2021 Fashion Furniture Trend Summit Forum, to enhance the industry influence of the nine major category business units through innovation, and radiate to the consumer’s understanding of categories, so as to better promote category development, and gradually form the consumer mentality of “Buy (category) in Red Star Macalline” in the market.

3.4.2 Deepen the brand connotation and improve the communication matrix

During the Reporting Period, the Company and Dunhuang Research Institute formally reached a strategic cooperation, which injected brand connotation of “Great Beauty” and “Culture” to Red Star Macalline in terms of culture and create a new imagination space for our brand. At the same time, with the help of enterprise video account, national marketing platform content operation and creation, we developed the value of we-media marketing communication. Moreover, through planning and operation of a number of senior executive personal accounts, we created the wisdom and professional images of entrepreneurs and professional managers. By spreading corporate culture concepts through social media, we also optimized our enterprise communication matrix.

In terms of marketing matrix, the Group has created a new advertising space system for shopping malls by capitalizing on its overall planning and operation. The advertising space is planned and upgraded through targeted placement analysis, customized transformation, and advertising position strategy, the external facade image of the shopping malls was optimized to help create high-value advertising space in the shopping malls.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.5 Property management

3.5.1 Strictly manage and control the safety risks in our shopping malls with prevention control at the forefront, complemented by emergency plans through our staff and technology

During the Reporting Period, we focused on the source of risks and treated preventive management and control as a significant task. In response to repeated pandemic, we paid close attention to the information reported by local health and health commissions, supervised and comprehensively prevented and controlled the occurrence of the COVID-19 pandemic in shopping malls. We continued to improve the risk profile, and developed “Ten Red Lines for Safety Management and Control”, assigned the safety hazards of shopping malls to dedicated responsible persons for management and control, and improved the risk management requirements; strengthened the staff’s education for hazard prevention by conducting special assessments for all basic level employees and management personnel at all levels to complete the semi-annual safety supervision and inspection work in shopping malls nationwide and follow up the rectification of hidden dangers. At the same time, special inspections on electric, firefighting, energy storage and charging and swapping stations, and combustible gas were conducted to ensure the effective implementation of the safety management and control by the property security team in shopping malls; standardized maintenance and testing of facilities and equipment such as fire protection, power supply and distribution were carried out; we further strengthened technical prevention measures such as fire protection and monitoring equipment, developed new tools, and discovered outstanding cases and promoted the application; we regularly used intelligent alarm equipment such as unmanned fire detectors to conduct remote monitoring of high – risk places such as the fire control room, catering areas and renovation sites of shopping malls; at the same time, we used intelligent information tools such as patrol inspection APP for daily patrol inspections, which effectively enhanced the efficiency and quality of patrol inspection, ensuring technical defense capabilities.

In addition, the Company comprehensively improved its emergency response and actual combat capabilities, and the effective combination of military training and militarization of safety work greatly improved the actual combat capabilities of the firefighting team; during the shop inspection process, unannounced tests were carried out to comprehensively improve the emergency response capabilities of the shopping malls. During the Reporting Period, we continued to maintain “zero accident” with respect to fire, casualties and key facilities and equipment at all shopping malls in the country, effectively managed and controlled safety risks and continuously upgraded safety levels of shopping malls.

IV. BUSINESS REVIEW (continued)

- (III) The Company continuously upgraded its operation management, with a focus on user mentality, and carried out the “operation-focused” strategy (continued)

3.5 Property management (continued)

3.5.2 Constantly level up shopping malls management, improve the shopping environment, and enhance user satisfaction

During the Reporting Period, new management measures were adopted to improve the environmental quality management of shopping malls in all respects and facilitate operations; “clearing, cleaning, and rectification for quality environment”, “improving quality, striving to be a benchmark”, “improving basic services, innovating management measures, surveying user services” and other themed monthly activities were carried out in shopping malls to improve the basic environmental quality; special maintenance of key facilities and equipment such as elevators and air conditioners were conducted in shopping malls nationwide to ensure the normal operation of the equipment and assist operations; we did a good job of user satisfaction surveys and responded to the real needs of customers and merchants to improve customer satisfaction through improvement opinions and optimized services; we established quality benchmark malls, drew upon the experience gained to improve the overall quality management level of shopping malls nationwide; quality files were set up and regularly issues track and improvement were conducted to constantly enhance the environmental quality of shopping malls nationwide.

- (IV) Continuously upgrading the information infrastructure to support the rapid development of corporate

In terms of infrastructure operations and maintenance, the Company carried out digital innovation to further solidify the underlying infrastructure platform. Through software-defined network technology, we implemented the integrated solutions of network digital upgrade and transformation in the shopping malls and sub-branches nationwide, eliminating the original expensive dedicated line services. The brand-new digital network makes the network with hundreds of nodes nationwide have more sensitive application and awareness to meet the needs of flexible changes, which also significantly improved our unified operation management capabilities and the efficiency of deployment delivery.

IV. BUSINESS REVIEW (continued)

(IV) Continuously upgrading the information infrastructure to support the rapid development of corporate (continued)

In terms of information security, during the Reporting Period, the Company continued to strictly follow China's requirements on technical support and security management in relation to the construction of information system security, and complied with relevant national laws, regulations and policies in real time. The Company continued to carry out grade III information security evaluation (The latest version 2.0) for major systems, and simultaneous construction of related safety systems. During the Reporting Period, according to the *Data Security Law of the People's Republic of China*, the Company launched the internal network disk system of Red Macalline to effectively control internal information data, file sharing, and circulation channels to achieve maximum data security in corporate collaborative office while ensuring the efficiency in this field.

(V) Focusing on human resources management policies: to effectively support the sustainable development of the corporate

During the Reporting Period, adhering to the "Thirteen-Word Corporate Values" oriented by Red Star Macalline and closely in line with the Company's main work in 2021, namely "further enhancing user mentality, focusing on operations, fighting corruption and upholding integrity, broadening sources of income and reducing expenditure", we carried out various human resources management works to promote the all-round development of corporate business.

In the promotion of corporate values, in order to fully implement Red Star Macalline's "Thirteen-Word Corporate Values", in 2021, the Company have strictly promoted and implemented the "Eight Prohibitions" activities such as anti-corruption and upholding integrity, practiced core values from top to bottom, promoting the shaping of organizational culture; by focusing on operations, it promoted the corporate core that employees pay tribute to contributors as strugglers, which established a strong bond between the organization and employees in thought and behavior.

IV. BUSINESS REVIEW (continued)

(V) Focusing on human resources management policies: to effectively support the sustainable development of the corporate (continued)

In terms of performance management, centered around the Company's work theme of "enhancing user mentality, focusing on operations, fighting corruption and upholding integrity, broadening sources of income and reducing expenditure" in 2021, the performance work in 2021 was to focus on operations and improve employee capabilities, and consolidate actions in all aspects of performance. On the one hand, we continued to advance the performance work in shopping malls from the setting of indicators and process management, diversified the evaluation and incentive methods, set clear indicators for every employee to follow, and monitored the progress of the organization in achieving its performance goals. On the other hand, from the perspective of efficiency improvement and risk management and control, we have improved the effectiveness of performance management, paid attention to the compliance and effectiveness of incentives, and discovered high-performance and high-potential talents with performance results as the guide. In terms of organizational development, we closely followed the strategic development direction of the Company, based on the adjustment of the organizational structure and its actual needs for business promotion, and adhering to the principles of streamlining administration and improving efficiency, we took full consideration of job positions and the number of employees needed to be included in line with the management scope, property structure, and new business needs, and recalculated and iteratively optimized the job positions and assignments in shopping malls from the perspectives of the number of employees used per 10,000 square meters in the shopping mall, the structure of business and non-business personnel, and the refined assignment of posts, to continuously improve the efficiency of human resources. In terms of talent development, scientific approaches were adopted for the talent reserves in key positions in 2021, and we strengthened the management of talent succession plan, taking the perspective of employees as the starting point, optimized and improved the talent succession development system, and formed "evaluation, pooling, inventory, training, research" and other management initiatives. Meanwhile, we continued to carry out the "Star Motivation" management trainee program for new graduates recruited, and completed the recruitment plan for 205 employees, created a rapid development channel for high-potential talents and succession management in key positions, and consolidated talents reserves for the Company's diversified business development and industrial transformation and upgrading. On the basis of providing professional human resources support for the original business units and management team, we have also built a core management team for multiple new business units of the Group, and established an organization system, assessment mechanism and incentive mechanism suitable for business development to promote the rapid development of new business. In terms of personnel operation and employee relations, we have taken solid steps in basic personnel operations to ensure that the human resources work of the Group complies with laws and regulations. We have taken strict measures to fight against COVID-19 pandemic, through close cooperation among our human resources department and other departments, we organized trainings and promotions on the prevention and control of COVID-19 pandemic, employee monitoring, donations, vaccinations for fighting against COVID-19, and have actively responded to the country's policies on COVID-19 prevention and control. A range of themed celebrations and learning activities for the 100th anniversary of the founding of the Party were organized across our Company.

IV. BUSINESS REVIEW (continued)

(V) Focusing on human resources management policies: to effectively support the sustainable development of the corporate (continued)

During the Reporting Period, we have successfully created an image of an employer widely recognized by the industry and have successfully demonstrated it through various channels. In the first half of the year, we have won two authoritative awards for employer brand: “Workplace Health Enterprise (職場健康企業)” and “2021 China Bole – Valuable Employer of the Year (中國好伯樂 – 年度價值僱主).

As of the end of the Reporting Period, we had a total of 24,191 employees.

(VI) The establishment of home furnishing shopping malls brand portfolio

In terms of establishing a brand portfolio, in addition to the core brand “Red Star Macalline”, the Company also invested in new brands paralleling the core brand to achieve brand diversity and further enrich the variety of services provided by the Company. A more fashionable and high-end brand, “Red Star Ogloria” (紅星•歐麗洛雅) was created to broaden our consumer base and further increase our market share. Moreover, since 2016, the Company has provided commercial consultation services in the stage of development and planning written consultation reports for operational properties to operational property owners and other than Portfolio and Managed Shopping Malls. The Company may grant such property owners the authorization to use the “sinka” (星藝佳) brand in the way agreed to by the Company. In addition, since the Company obtained the concession right of “JSWB”, a high-end home improvement and furnishing retail brand, for a term of thirty years in 2014, the Company has the right to use the licensed trademarks in our Portfolio Shopping Malls and Managed Shopping Malls and in the business operation course related to those shopping malls, and to authorize any third parties to use the licensed trademarks within the properties of shopping malls.

As at the end of the Reporting Period, “Red Star Macalline”, the core brand of the Company, remains the leading position in terms of the number of shopping malls and revenue contribution.

V. OUTLOOK AND PROSPECTS

The Group constantly shoulders the responsibility of “building cozy and harmonious homes and improving quality of shopping and home life” to provide consumers with better and more professional services. The Group will consolidate our leading position in the market as well as the professional status of “Red Star Macalline” as an expert of home life in our consumers’ minds, to pursue our enterprise development goal of growing into China’s most advanced and professional “omni-channel platform service provider for home decoration and furnishing industry”. Our future development plans are as follows:

1. We will continue to implement the business model of “asset-light and operation-heavy”, and consolidate the market leadership through strategic expansion of our shopping mall network and brand portfolio;
2. To strengthen the brand image of “omni-channel service provider for the pan-home improvement and furnishing industry” by deeply promoting the business transformation and making a breakthrough in full-cycle services of home furnishing consumption;
3. We will build comprehensive service system and strive to become the new retail benchmark in the home decoration and furnishing industry;
4. We will enhance the long-term competitiveness of the Company through digital strategies;
5. We will be proactive in innovation and attach importance to the application of capital markets and financial instruments; and
6. We will continue to improve corporate governance, standardize our operation and implement social responsibilities.

Corporate Governance and Other Information

The Group is committed to maintaining high-standard corporate governance so as to protect the interest of the shareholders and promote the Company's value and accountability. H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 26 June 2015.

The Company has adopted the following corporate governance principles and practices:

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2021, other than deviation from Code Provision A.2.1 of the Corporate Governance Code, the Company has complied with the provisions of the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), which sets out principles of good corporate governance in relation to, among other matters, the Directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration, and communications with shareholders. Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between the Group and the controlling shareholders (as defined under the Listing Rules) and/or Directors to protect the interests of the minority shareholders.

DEVIATION FROM CODE PROVISION A.2.1 OF THE CORPORATE GOVERNANCE CODE

Mr. CHE Jianxing ("Mr. CHE") is the Chairman of the Board and chief executive officer of the Company. In view of Mr. CHE's experience, personal profile and his roles in the Group and the fact that Mr. CHE has assumed the role of chief executive officer and the general manager of the Group since June 2007, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Mr. CHE, in addition to acting as the Chairman of the Board, continues to act as the chief executive officer of the Company. While this will constitute a deviation from Code Provision A.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of our Directors and that the Board comprises 5 independent non-executive Directors out of the 13 Directors, which is in compliance with the Listing Rules requirement that one-third of the Board shall be independent non-executive Directors, and the Company believes that there are sufficient checks and balances in the Board; (ii) Mr. CHE and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively by the Board and the senior management after their thorough discussion.

Corporate Governance and Other Information

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman of the Board and general manager is necessary.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding Directors' and supervisors' of the Company (the "Supervisors") securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company has conducted specific enquiries to the Directors and Supervisors, and all Directors and Supervisors have confirmed that they had complied with all the provisions and standards set out in the Model Code during the six months ended 30 June 2021.

AUDIT COMMITTEE AND REVIEWING INTERIM RESULTS AND INTERIM REPORT

The Company have established an audit committee ("Audit Committee") with written terms of reference in compliance with the Listing Rules, the primary duties of which are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, managing internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. As at the date of this report, the Audit Committee consisted of three independent non-executive Directors, namely Mr. QIAN Shizheng, Mr. LEE Kwan Hung, Eddie and Mr. WANG Xiao. Mr. QIAN Shizheng, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The Audit Committee has reviewed and confirmed the Group's interim results announcement for the six months ended 30 June 2021, the 2021 interim report and the unaudited financial statements for the six months ended 30 June 2021.

THE BOARD, THE BOARD OF SUPERVISORS AND COMMITTEES

From 1 January 2021 to the Latest Practicable Date, save as changes below, no change was made to the information of the Board, Board of Supervisors, Strategy and Investment Committee, Audit Committee, Remuneration and Evaluation Committee and Nomination Committee, which was consistent with the contents as set out in the 2020 Annual Report of the Company.

From 1 January 2021 to the Latest Practicable Date, the Board complied with the requirements of appointing at least three independent non-executive Directors (among whom at least one independent non-executive Director holds the appropriate professional qualifications or accounting or relevant financial management knowledge) set out in Rules 3.10(1) and 3.10(2) of the Listing Rules at any time. The Company also complied with the requirements of appointing independent non-executive Directors, accounting for one-third of the members of the Board set out in Rule 3.10A of the Listing Rules.

CHANGE IN DIRECTORATE AND INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The changes in Directors and Supervisors of the Company from 1 January 2021 to the Latest Practicable Date, are set out below:

Name	Position	Details of Change
Mr. XU Guofeng	Non-executive Director	Resigned as a non-executive director of the Company on 8 February 2021
Mr. CHEN Zhaohui	Non-executive Director	Appointed as a non-executive Director on 19 March 2021
Mr. LIU Jin	Non-executive Director	Resigned as a non-executive director of the Company on 5 August 2021

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2021.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the end of the Reporting Period, the interests and short positions of the Directors, Supervisors and chief executive in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Shares and Underlying Shares of the Company and Associated Corporations

(i) The Company

Name of Shareholders	Title	Class of Shares	Nature of interest	Number of underlying shares held	Approximate percentage in relevant class of Shares ⁽¹⁾	Approximate percentage in total Shares ⁽¹⁾	
CHE Jianxing (車建興) ⁽²⁾	Chairman, Chief Executive Officer and Executive Director	A Shares	Interest of controlled corporation	2,748,227,426	86.87%	70.38%	
				(Long position)	355,000,000	11.22%	9.09%
			Beneficial owner	(Short position)	435,600	0.01%	0.01%
				(Long position)	48,620	0.00%	0.00%
Interest of spouse	(Long position)	288,420	0.01%	0.01%			
	(Long position)	123,420	0.00%	0.00%			
GUO Binghe (郭丙合)	Executive Director	A Shares	Beneficial owner	288,420	0.01%	0.01%	
CHE Jianfang (車建芳)	Executive Director	A Shares	Beneficial owner	123,420	0.00%	0.00%	
				(Long position)	1,607,880	0.05%	0.04%
JIANG Xiaozhong (蔣小忠)	Executive Director	A Shares	Beneficial owner	1,607,880	0.05%	0.04%	
CHEN Shuhong (陳淑紅) ⁽³⁾	Non-executive Director	A Shares	Interest of spouse	2,748,663,026	86.88%	70.39%	
				(Long position)	355,000,000	11.22%	9.09%
			Beneficial owner	(Short position)	48,620	0.00%	0.00%
				(Long position)	1,187,967	0.04%	0.03%
PAN Ning (潘寧)	Supervisor	A Shares	Beneficial owner	1,187,967	0.04%	0.03%	
				(Long position)			

Notes:

- (1) As at 30 June 2021, the Company had 3,905,000,000 issued Shares in total, comprised of 3,163,714,366 A Shares and 741,285,634 H Shares.
- (2) Mr. CHE Jianxing indirectly holds 70.38% of the issued Shares in total of the Company through his 92.00% direct interest in Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) ("RSM Holding"), a limited liability company incorporated in the PRC, and is deemed to be interested in the 2,748,227,426 A Shares held by RSM Holding for the purpose of the SFO.
- (3) Ms. CHEN Shuhong is the spouse of Mr. CHE Jianxing. Under the SFO, Ms. CHEN Shuhong is deemed to be interested in the same number of Shares in which Mr. CHE Jianxing is interested.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Shares and Underlying Shares of the Company and Associated Corporations (continued)

(ii) Associated Corporation

Name of Director	Name of Associated Corporation	Nature of interest	Equity interest in the Associated Corporation held	Approximate percentage in relevant class of Shares ⁽¹⁾
CHE Jianxing (車建興)	RSM Holding ⁽¹⁾	Beneficial interest	184,000,000 (Long position)	92%
CHE Jianfang (車建芳)	RSM Holding ⁽¹⁾	Beneficial interest	16,000,000 (Long position)	8%

Notes:

- (1) RSM Holding is the investment holding company of the Company, which is held as to 92% by Mr. CHE Jianxing and as to 8% by Mr. CHE Jianxing's sister, Ms. CHE Jianfang and therefore an "associated corporation" of the Company within the meaning of Part XV of the SFO. As at 30 June 2021, RSM Holding held 2,748,227,426 A Shares of the Company which accounted for approximately 70.38% of the total issued Shares of the Company.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors, Supervisors or chief executive has any interests or short positions in the shares, underlying shares and debentures of the Company or associated corporations (a) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) which will be required to be further notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the end of the Reporting Period, the interests or short positions in the shares or underlying shares which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, and which will be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, as well as persons (other than the Directors, Supervisors or chief executive of the Company), or corporations deemed, directly and/or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at our general meetings were as follows:

Name of Shareholders	Class of Shares	Capacity/nature of Interest	Number of relevant Shares held	Approximate percentage in relevant class of Shares ⁽¹⁾	Approximate percentage in total share capital ⁽¹⁾
RSM Holding	A Shares	Beneficial owner	2,728,347,349	86.24%	69.87%
			(Long position)		
		355,000,000	11.22%	9.09%	
			(Short position)		
		Interest of controlled corporation	19,880,077	0.63%	0.51%
		(Long position)			
Changzhou Meikai Information Technology Co., Ltd. (常州美開信息科技有限公司) ⁽²⁾	A Shares	Beneficial owner	19,880,077	0.63%	0.51%
			(Long position)		
Alibaba Group Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	355,000,000	11.22%	9.09%
			(Long position)		
	H Shares	Interest of controlled corporation	131,475,421	17.74%	3.37%
			(Long position)		
Taobao China Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	355,000,000	11.22%	9.09%
			(Long position)		
	H Shares	Beneficial owner	65,737,711	8.87%	1.68%
			(Long position)		
Taobao Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	355,000,000	11.22%	9.09%
			(Long position)		
	H Shares	Interest of controlled corporation	65,737,711	8.87%	1.68%
			(Long position)		
Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司) ⁽⁴⁾	A Shares	Interest of controlled corporation	355,000,000	11.22%	9.09%
			(Long position)		
Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司) ⁽⁴⁾	A Shares	Interest of controlled corporation	355,000,000	11.22%	9.09%
			(Long position)		

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Name of Shareholders	Class of Shares	Capacity/nature of Interest	Number of relevant Shares held	Approximate percentage in relevant class of Shares ⁽¹⁾	Approximate percentage in total share capital ⁽¹⁾
Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司) ⁽⁴⁾	A Shares	Beneficial owner	355,000,000 (Long position)	11.22%	9.09%
Alibaba Investment Limited ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.68%
New Retail Strategic Opportunities Fund GP, L.P. ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.68%
New Retail Strategic Opportunities Fund, L.P. ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.68%
New Retail Strategic Opportunities GP Limited ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.68%
New Retail Strategic Opportunities Investments 4 Limited ⁽³⁾	H Shares	Beneficial owner	65,737,710 (Long position)	8.87%	1.68%
WONG Man Li ⁽⁵⁾	H Shares	Interest of controlled corporation	47,904,600 (Long position)	6.46%	1.23%
Man Wah Investments Limited ⁽⁵⁾	H Shares	Beneficial owner	47,904,600 (Long position)	6.46%	1.23%
HUI Wai Hing ⁽⁵⁾	H Shares	Interest of the spouse	47,904,600 (Long position)	6.46%	1.23%
WONG Luen Hei ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.55%
UBS Trustees (B.V.I.) Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.55%
New Fortune Star Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.55%
Fuhui Capital Investment Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.55%
China Lesso Group Holdings Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.55%
UBS Group AG	H Shares	Interest of controlled corporation	23,587,462 (Long position)	3.18%	0.60%
			13,848,830 (Short position)	1.87%	0.35%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

- (1) As at 30 June 2021, the Company had 3,905,000,000 issued Shares in total, comprised of 3,163,714,366 A Shares and 741,285,634 H Shares.
- (2) Changzhou Meikai Information Technology Co., Ltd. is a wholly-owned subsidiary of RSM Holding.
- (3) New Retail Strategic Opportunities Investments 4 Limited is directly interested in the 65,737,710 H shares of the Company.

New Retail Strategic Opportunities Investments 4 Limited is directly 100% controlled by New Retail Strategic Opportunities Fund, L.P..

New Retail Strategic Opportunities Fund GP, L.P. is the general partner of New Retail Strategic Opportunities Fund, L.P. and New Retail Strategic Opportunities GP Limited is the general partner of New Retail Strategic Opportunities Fund GP, L.P..

New Retail Strategic Opportunities Fund GP, L.P. is directly 100% controlled by Alibaba Investment Limited, the limited partner of New Retail Strategic Opportunities Fund GP, L.P.. Meanwhile, New Retail Strategic Opportunities GP Limited is directly 100% controlled by Alibaba Investment Limited. Alibaba Investment Limited is directly 100% controlled by Alibaba Group Holding Limited. Therefore, Alibaba Group Holding Limited is deemed to be interested in the 65,737,710 H shares.

Taobao China Holding Limited is directly interested in the 65,737,711 H shares of the Company.

Taobao China Holding Limited is directly 100% controlled by Taobao Holding Limited. Taobao Holding Limited is directly 100% controlled by Alibaba Group Holding Limited. Therefore, Alibaba Group Holding Limited is deemed to be interested in the 65,737,711 H shares.

Alibaba Group Holding Limited is deemed to be interested in the 131,475,421 H shares.

- (4) On 14 May 2019, RSM Holding completed the 2019 Non-public Issuance of Exchangeable Bonds (First Tranche) (the "Exchangeable Bonds"), which had been fully subscribed by Alibaba (China) Technology Co., Ltd.. The Exchangeable Bonds are exchangeable into fully-paid A shares of the Company. Based on the initial conversion price of RMB12.28 per share upon the completion of issuance on 14 May 2019, the underlying shares of the Exchangeable Bonds were 355,000,000 A shares of the Company, which had still been held by RSM Holding as at 30 June 2021.

Alibaba (China) Technology Co., Ltd. was 57.59% and 35.75% controlled by Tao Bao (China) Software Co., Ltd. and Zhejiang Tmall Technology Co., Ltd. respectively. Therefore, Tao Bao (China) Software Co., Ltd. and Zhejiang Tmall Technology Co., Ltd. are deemed to be interested in the underlying A shares of the Exchangeable Bonds.

- (5) Man Wah Investments Limited is directly 80% controlled by Mr. WONG Man Li and Man Wah Investments Limited is directly interested in the 47,904,600 H Shares of the Company. Therefore, Mr. WONG Man Li is deemed to be interested in the 47,904,600 H shares through Man Wah Investments Limited.

Ms. HUI Wai Hing is the spouse of Mr. WONG Man Li. Under the SFO, Ms. HUI Wai Hing is deemed to be interested in the same number of shares in which Mr. WONG Man Li is or deemed to be interested.

- (6) UBS Trustees (B.V.I.) Limited who is the trustee and sole shareholder of Xi Xi Development Limited ("Xi Xi Development") which in turn is the sole shareholder of New Fortune Star Limited ("New Fortune Star") which in turn holds 68.28% of China Lesso Group Holdings Limited ("China Lesso") which in turn is the sole shareholder of Fuhui Capital Investment Limited ("Fuhui Capital"). The trust was established by Mr. WONG Luen Hei on 22 March 2017.

Accordingly, UBS Trustees (B.V.I.) Limited is deemed to be interested in the shareholding interest of each of Xi Xi Development, New Fortune Star, China Lesso and Fuhui Capital in the Company pursuant to the disclosure requirements under the SFO.

Save as disclosed above, as at the end of the Reporting Period, the Company is not aware of any other person (other than the Directors, the Supervisors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the 2021 interim report, at no time during the Reporting Period was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable Directors or Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or the Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

INTERIM DIVIDENDS

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

USE OF PROCEEDS FROM GLOBAL OFFERING

The net proceeds from the Company's global offering ("Global Offering") amounted to RMB5,573.3 million, used for the development of nine Portfolio Shopping Malls, investment or acquisition of other home improvement and furnishings retailers and other market participants, refinancing of our existing indebtedness, development of our O2O business and information technology systems, working capital and other general corporate purposes. The Board resolved on 31 July 2015 and 16 January 2018 to change the intended use of part of the net proceeds from the Global Offering. For details, please refer to the announcements of the Company dated 31 July 2015 and 16 January 2018 (collectively referred to as "Announcements on Change in Use of Proceeds" below). All net proceeds have been utilized in a manner consistent with the disclosure set out in the section headed "Future Plans and Uses of Proceeds" in the Prospectus and Announcements on Change in Use of Proceeds of the Company. As at the end of the Reporting Period, the Company had cumulatively used 100% of the net proceeds in the abovementioned fund-raising investment projects.

Corporate Governance and Other Information

Analysis of utilized net proceeds from the Global Offering as at 30 June 2021 is as follows:

Use/Intended use	Planned use (RMB million)	Actual use of proceeds as at 30 June 2021 (RMB million)	Unutilized net proceeds as at 30 June 2021 (RMB million)
Development of Portfolio Shopping Mall projects	1,928.5	1,928.5	–
Refinancing of existing debt	1,208.8	1,208.8	–
Investment in or acquisition of other market participants in home furnishing industry, development funds for e-commerce business and information technology systems, and working capital and daily expenses	2,436.0	2,436.0	–

A SHARE OFFERING AND USE OF PROCEEDS

A shares of the Company were listed and traded on the Shanghai Stock Exchange on 17 January 2018 (Stock Code: 601828) at the issue price of RMB10.23 per share with an issuance size of 315,000,000 shares. The total proceeds raised from this offering was RMB3,222,450,000.00, and the net proceeds raised (after deducting the issuing expenses of A shares of RMB172,442,150.37) was RMB3,050,007,849.63 (“A Shares Offering Proceeds”). The net amount raised per subscribed share is RMB9.68 per share, and the closing price per share on the date of listing was RMB14.42. For details, please refer to the announcements of the Company dated 2 January 2018, 16 January 2018, 7 February 2018 and 7 September 2018. As of the end of the Reporting Period, the Group has utilized approximately 88.63% of the net proceeds for fundraising investment projects and replenishing working capital as required.

Corporate Governance and Other Information

Analysis of the use of proceeds from issuance of A shares as at 30 June 2021 is as follows:

Unit: RMB'000

Total amount of funds raised	3,222,450
Issuance expense	172,442
Net funds raised	3,050,008

Proposed investment projects		Total investment planned (RMB'000)	Investment amount at the end of Reporting Period (RMB'000)	Remarks
Home furnishing shopping mall construction project	Tianjin Beichen Shopping Mall Project	245,137	245,137	Fully invested
	Hohhot Yuquan Shopping Mall Project	76,825	76,825	Fully invested
	Dongguan Wanjiang Shopping Mall Project	164,145	164,145	Fully invested
	Harbin Songbei Shopping Mall Project	294,809	294,809	Fully invested
	Urumqi Convention and Exhibition Mall Project	669,084	666,733	Fully invested
	Changsha Jinxia Shopping Mall Project	190,000	145,787	Expected to be invested by May 2023
	Xining Expo Shopping Mall Project	110,000	110,001	Fully invested
	Sub-total	1,750,000	1,703,449 ⁽¹⁾	
	New intelligent home furnishing shopping mall	400,000	99,897	
	Repayment of bank loans	400,000	400,000	
	Supplement of liquidity	150,008	150,008	
	Repayment of interest-bearing debts	350,000	350,000	
	Total	3,050,008	2,703,354	

Note:

(1) The Company would determine the actual usage of the remaining funds raised subject to the subsequent capital arrangements.

EVENTS AFTER THE REPORTING PERIOD

1. Change of Directors

On 5 August 2021, the Company received a written resignation from Mr. LIU Jin, a non-executive Director. Due to job change, Mr. LIU Jin tendered his resignation as a Director to the fourth session of the Board of the Company. For details, please see the announcement of the Company dated 5 August 2021 disclosed on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

On 11 August 2021, the Company held the twenty-ninth extraordinary meeting of the fourth session of the Board, at which the Resolution on the Appointment of Mr. JIANG Xiangyu (蔣翔宇) as non-executive Director of the fourth session of the Board of the Company was considered and approved. As recommended by Aeon Life Insurance Co., Ltd., a shareholder holding over 1% of the shares in the Company, the Nomination Committee reviewed the occupation, educational background, professional titles, detailed work experience, part-time jobs and other information of Mr. JIANG Xiangyu, and believed that he met qualification requirements for non-executive Directors specified by relevant laws and regulations and the Articles of Association of the Company, and agreed to nominate Mr. JIANG Xiangyu to act as a non-executive Director of the fourth session of the Board of the Company. For details, please see the announcement of the Company dated 12 August 2021 disclosed on the designated media and the announcement of the Company dated 11 August 2021 disclosed on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

2. Adjustment and Cancellation of the Share Options under the A Share Option Incentive Scheme for 2020

On 11 August 2021, the twenty-ninth extraordinary meeting of the fourth session of the Board and the ninth extraordinary meeting of the fourth session of the Supervisory Committee reviewed and approved the Resolution in Relation to Adjustments to the Number and Exercise Price of the A Share Option Incentive Scheme of the Company for 2020, the Resolution in Relation to the Cancellation of Part of the Share Options, and the Resolution in Relation to Adjustment to Certain Performance Assessment Targets under the A Share Option Incentive Scheme of the Company for 2020, and other resolutions. Considering that the Company implemented the annual equity distribution plan 2019 on 6 July 2020, the Company changed the number of share options involved in the incentive scheme from 25.236 million to 27.7596 million, and the exercise price from RMB11.02 per share to RMB9.79 per share.

Corporate Governance and Other Information

In addition, under such incentive scheme, 108 original participants resigned or voluntarily waived the exercise of their rights, and 2.1362 million share options held by the above persons which had been granted but not yet exercised were cancelled according to relevant provisions under such incentive scheme. In addition, in light of the fact that the performance assessment targets at the company level under the exercise conditions of the first tranche of the share options under the first grant of the incentive scheme have not been met, a total of 12.8117 million share options which were exercisable by all participants for the corresponding assessment year (except for the portion triggered due to the above reasons) will be cancelled. Based on the above reasons, a total of 14.9479 million share options will be cancelled.

Considering the impact of the COVID-19 outbreak in early 2020 on the Company's results in 2021, it is practically difficult to achieve the performance assessment targets for 2021 originally set in the A Share Option Incentive Scheme of the Company. In order to protect the long-term interests of the Company and its shareholders and further mobilize the enthusiasm and creativity of core employees of the Company, the performance assessment requirements at the company level under such incentive scheme are adjusted. For details, please see the announcement of the Company dated 12 August 2021 disclosed on the designated media and the announcement of the Company dated 11 August 2021 disclosed on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

MATERIAL LEGAL PROCEEDINGS

For the six months ended 30 June 2021, the Group did not have any material legal or arbitral proceedings. The Directors also are not aware of any material legal proceedings or claims which are pending or threatened against the Group.

Consolidated Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Current assets:			
Cash and bank balances	V.1	6,604,536,110.72	6,511,092,198.09
Financial assets held for trading	V.2	713,790,476.43	247,611,072.73
Derivative financial assets	V.3	398,953.74	2,160,732.11
Notes receivable		–	–
Accounts receivable	V.4	2,231,849,762.12	1,934,826,113.43
Receivables financing	V.5	63,644,128.05	5,872,800.00
Prepayments	V.6	397,431,809.18	323,626,340.62
Other receivables	V.7	2,359,909,564.57	1,524,654,743.28
Including: Interests receivable	V.7	67,213,650.83	44,648,521.46
Dividends receivable	V.7	31,000,000.00	31,000,000.00
Purchases of resold financial assets			
Inventories	V.8	354,749,826.29	328,295,668.02
Contract assets	V.9	1,566,613,006.96	1,375,364,101.48
Non-current assets due within one year	V.10	512,797,220.04	248,704,377.99
Other current assets	V.11	2,383,375,019.13	2,634,575,271.37
Total current assets		17,189,095,877.23	15,136,783,419.12

Consolidated Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Non-current assets:			
Long-term receivables	V.12	452,279,323.70	532,498,896.89
Long-term equity investments	V.13	3,762,227,557.02	3,703,895,492.49
Other equity instrument investments	V.14	5,520,220,984.75	4,206,678,046.54
Other non-current financial assets	V.15	389,174,540.60	396,924,540.60
Investment properties	V.16	93,539,000,000.00	93,150,000,000.00
Fixed assets	V.17	2,645,892,365.59	2,737,965,196.94
Construction in progress	V.18	93,632,210.56	80,629,155.83
Right-of-use assets	V.19	3,889,862,054.97	3,852,597,418.85
Intangible assets	V.20	348,998,279.79	343,768,582.72
Development expenditure	V.21	12,117,628.76	30,837,675.61
Goodwill	V.22	97,597,047.85	97,597,047.85
Long-term prepaid expenses	V.23	421,838,705.18	454,054,803.22
Deferred tax assets	V.24	1,567,706,455.30	1,541,067,156.39
Other non-current assets	V.25	4,978,397,216.66	5,282,621,202.44
Total non-current assets		117,718,944,370.73	116,411,135,216.37
Total assets		134,908,040,247.96	131,547,918,635.49

Consolidated Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Current liabilities:			
Short-term loans	V.26	3,481,091,963.09	3,448,371,909.45
Notes payable	V.27	13,700,000.00	–
Accounts payable	V.28	1,908,905,696.91	2,085,329,223.24
Advance from customers	V.29	1,380,009,999.89	960,787,153.16
Contract liabilities	V.30	2,199,591,158.56	2,287,548,874.89
Payroll payable	V.31	256,883,767.51	563,788,624.24
Taxes payable	V.32	704,795,809.85	671,338,917.19
Other payables	V.33	11,165,299,833.43	8,987,388,645.49
Including: Interests payable			
Dividends payable	V.33	156,566.15	11,079,608.27
Non-current liabilities due within one year	V.34	13,745,453,169.18	11,897,443,643.72
Other current liabilities	V.35	250,069,520.58	736,850,395.29
Total current liabilities		35,105,800,919.00	31,638,847,386.67

Consolidated Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Non-current liabilities:			
Deposits for insurance contract			
Long-term loans	V.36	22,650,467,329.40	22,212,429,627.44
Bonds payable	V.37	2,924,652,113.48	4,432,634,711.35
Lease liabilities	V.38	4,064,261,034.57	4,082,933,276.21
Long-term payables	V.39	701,382,218.28	712,856,318.61
Long-term payroll payable			
Provisions			
Deferred income	V.40	212,829,467.32	224,943,229.90
Deferred tax liabilities	V.24	13,042,557,439.67	12,517,571,618.93
Other non-current liabilities	V.41	1,826,832,864.72	4,627,859,670.75
Total non-current liabilities		45,422,982,467.44	48,811,228,453.19
Total liabilities		80,528,783,386.44	80,450,075,839.86

Consolidated Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Owners' equity (or shareholders' equity):			
Paid-in capital (or Share capital)	V.42	3,905,000,000.00	3,905,000,000.00
Capital reserve	V.43	3,656,175,075.26	3,648,120,125.82
Less: Treasury stock			
Other comprehensive income	V.44	2,856,752,925.29	1,720,585,961.74
Special reserve			
Surplus reserve	V.45	2,076,486,432.95	2,076,486,432.95
General risk provisions			
Retained earnings	V.46	38,183,850,346.15	36,213,026,423.36
Total equity attributable to owners of the Company (or shareholders' equity)		50,678,264,779.65	47,563,218,943.87
Non-controlling interests		3,700,992,081.87	3,534,623,851.76
Total owners' equity (or shareholders' equity)		54,379,256,861.52	51,097,842,795.63
Total liabilities and owners' equity (or shareholders' equity)		134,908,040,247.96	131,547,918,635.49

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the
accounting department:

CAI Weichun

Consolidated Income Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
I. Total revenue		7,502,596,538.58	6,024,440,866.01
Including: Revenue	V.47	7,502,596,538.58	6,024,440,866.01
II. Total cost of sales		5,897,466,610.74	4,901,449,820.53
Including: Cost of sales	V.47	2,731,626,145.54	1,994,600,248.22
Taxes and surcharges	V.48	208,697,351.81	171,935,988.05
Distribution and selling expenses	V.49	828,707,485.02	631,248,850.58
General and administrative expenses	V.50	882,041,452.79	744,460,616.43
Research and development expenses	V.51	26,936,173.97	10,843,802.66
Financial expenses	V.52	1,219,458,001.61	1,348,360,314.59
Including: Interest expenses		1,354,578,761.38	1,330,162,274.91
Interest income		118,700,167.43	79,419,260.20
Add: Other income	V.53	52,812,889.76	86,015,355.42
Investment income (losses are presented with "-")	V.54	778,700,121.60	142,586,655.69
Including: Investment income from associates and joint ventures		12,486,427.18	(1,684,944.69)
Gain from fair value changes (losses are presented with "-")	V.55	227,017,919.24	296,599,198.00
Impairment losses of credit (losses are presented with "-")	V.56	(151,764,612.97)	(3,496,392.01)
Impairment losses of assets (losses are presented with "-")	V.57	(7,662,383.27)	(36,898.61)
Gain from disposal of assets (losses are presented with "-")	V.58	15,671,926.81	(21,769,125.68)

Consolidated Income Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
III. Operating profit (losses are presented with “-”)		2,519,905,789.01	1,622,889,838.29
Add: Non-operating income	VII.59	18,356,160.52	17,349,304.55
Less: Non-operating expenses	VII.60	19,318,046.10	83,519,321.52
IV. Total profit (total losses are presented with “-”)		2,518,943,903.43	1,556,719,821.32
Less: Income tax expense	V.61	651,797,055.21	402,466,107.25
V. Net profit (net losses are presented with “-”)		1,867,146,848.22	1,154,253,714.07
(I) According to the classification of continuity of operation			
1. Net profit from continuing operations (net losses are presented with “-”)		1,867,146,848.22	1,154,253,714.07
2. Net profit attributable to shareholders of the Company (net losses are presented with “-”)		1,731,901,543.75	1,101,316,487.91
3. Non-controlling interests (net losses are presented with “-”)		135,245,304.47	52,937,226.16
VI. Other comprehensive income (after tax)	V.44	1,374,544,369.14	727,023,799.35
(I) Other comprehensive income (after tax) attributable to owners of the Company		1,375,089,342.59	726,063,977.01
1. Other comprehensive income that will not be reclassified to profit or loss		1,364,493,781.24	638,295,020.72
(1) Changes in fair value of other equity instrument investments		1,364,493,781.24	638,295,020.72
(2) Changes in fair value of the enterprise’s credit risk			

Consolidated Income Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
2. Other comprehensive income that will be reclassified to profit or loss		10,595,561.35	87,768,956.29
(1) Exchange differences arising upon translation of financial statements denominated in foreign currencies		(2,091,754.24)	877,342.99
(2) Others		12,687,315.59	86,891,613.30
(II) Other comprehensive income (after tax) attributable to non-controlling interests		(544,973.45)	959,822.34
VII. Total comprehensive income		3,241,691,217.36	1,881,277,513.42
(I) Total comprehensive income attributable to owners of the Company		3,106,990,886.34	1,827,380,464.92
(II) Total comprehensive income attributable to non-controlling interests		134,700,331.02	53,897,048.50
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		0.44	0.28
(II) Diluted earnings per share (yuan/share)		N/A	N/A

The net profit of the acquiree before the acquisition is RMB0 under the business combination under common control during the Reporting Period. The net profit of the acquiree for the previous period is RMB0.

Person in charge of the Company:	Person in charge of accounting:	Person in charge of the accounting department:
CHE Jianxing	XI Shichang	CAI Weichun

Consolidated Cash Flow Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
I. Cash Flows from Operating Activities:			
Cash received from the sales of goods and rendering of services		7,550,538,404.92	5,475,148,055.76
Other cash received relating to operating activities	V.63(1)	452,084,944.94	1,328,693,487.56
Sub-total of cash inflow from operating activities		8,002,623,349.86	6,803,841,543.32
Cash payments for goods purchased and services received		1,383,325,163.91	1,465,616,072.30
Cash payments to and on behalf of employees		2,104,417,051.69	1,968,248,635.57
Payments of various types of taxes		1,130,986,060.22	998,185,390.92
Other cash payments relating to operating activities	V.63(2)	1,300,118,910.34	1,305,896,640.32
Sub-total of cash outflow from operating activities		5,918,847,186.16	5,737,946,739.11
Net cash flows from operating activities		2,083,776,163.70	1,065,894,804.21
II. Cash Flows from Investing Activities:			
Cash received from disposal of investments		535,190,407.87	611,079,675.89
Cash received from investment income		273,159,949.00	30,888,804.31
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		19,152,291.30	26,857,655.58
Net cash paid for disposal of subsidiaries and other business units		457,688,872.30	4,422,079.92
Other cash received relating to investing activities	V.63(3)	4,023,562,200.23	1,141,472,855.12
Sub-total of cash inflow from investing activities		5,308,753,720.70	1,814,721,070.82
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		1,394,003,077.67	1,348,531,574.18
Cash paid for investments		202,076,693.12	188,252,498.47
Net cash paid for acquisition of subsidiaries and other business units		7,103,868.97	1,674,999,295.31
Other cash paid relating to investing activities	V.63(4)	3,449,812,833.06	2,337,187,781.36
Sub-total of cash outflow from investing activities		5,052,996,472.82	5,548,971,149.32
Net cash flow from investing activities		255,757,247.88	(3,734,250,078.50)

Consolidated Cash Flow Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		67,754,880.00	12,215,120.02
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		67,754,880.00	12,215,120.02
Cash received from borrowings		6,163,884,465.86	12,362,380,317.26
Other cash received relating to financing activities	V.63(5)	1,085,356,894.81	–
Sub-total of cash inflow from financing activities		7,316,996,240.67	12,374,595,437.28
Cash repayments of borrowings		8,505,251,986.13	5,948,234,683.57
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,456,796,827.51	1,194,160,205.86
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		71,221,145.89	83,200,000.00
Other cash paid relating to financing activities	V.63(6)	1,180,669,161.40	520,258,678.46
Sub-total of cash outflow from financing activities		11,142,717,975.04	7,662,653,567.89
Net cash flow from financing activities		(3,825,721,734.37)	4,711,941,869.39
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(362,631.26)	(13,494,649.41)
V. Net Increase in Cash and Cash Equivalents	V.64	(1,486,550,954.05)	2,030,091,945.69
Add: Opening balance of cash and cash equivalents	V.64	5,901,061,909.81	6,776,093,360.48
VI. Closing Balance of Cash and Cash Equivalents	V.64	4,414,510,955.76	8,806,185,306.17

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the
accounting department:

CAI Weichun

Consolidated Statement of Changes in Owners' Equity

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2021														
	Paid-in capital (or Share capital)	Preferred shares	Other equity instruments	Capital reserve	Treasury stock	Less: comprehensive income	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Retained earnings	Others	Sub-total	Non-controlling interests	Total equity
I. Prior year's closing balance	3,905,000,000.00			3,648,120,125.82			1,720,585,961.74	2,076,486,432.95	36,213,026,423.36		47,563,218,943.87		3,534,623,651.76	51,097,842,795.63	
Add: Changes in accounting policies															
Corrections of prior periods errors															
Business combinations involving enterprises under common control															
Others															
II. Opening balance in current year	3,905,000,000.00			3,648,120,125.82			1,720,585,961.74	2,076,486,432.95	36,213,026,423.36		47,563,218,943.87		3,534,623,651.76	51,097,842,795.63	
III. Changes in the current period (decrease is presented with "-")															
(I) Total comprehensive income				8,054,949.44		1,136,166,963.55			1,970,623,922.79		3,115,945,835.78		166,366,230.11	3,281,414,065.69	
(II) Owners' contributions and reduction in capital						1,375,089,342.59			1,731,901,543.75		3,106,990,886.34		134,700,631.02	3,241,691,217.36	
1. Ordinary shares from owners				8,054,949.44							8,054,949.44		73,916,022.86	81,970,972.30	
2. Capital input by holders of other equity instruments													69,754,680.00	69,754,680.00	
3. Share-based payment recorded in owners' equity															
4. Others															
(III) Profit distribution				8,054,949.44										8,054,949.44	
1. Appropriation to surplus reserve															
2. Appropriation to general risk provisions															
3. Distributions to owners (or shareholders)															
4. Others															
														4,161,122.86	4,161,122.86
														(42,248,103.77)	(42,248,103.77)
														(42,248,103.77)	(42,248,103.77)

Consolidated Statement of Changes in Owners' Equity

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2021													
	Paid-in capital (or share capital)	Preferred shares	Other equity instruments	Capital reserve	Treasury stock	Less: Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Retained earnings	Others	Sub-total	Non-controlling interests	Total equity
(V) Internal transfer of equity														
1. Transfer to capital (or share capital) from capital reserve										238,922,379.04				
2. Transfer to capital (or share capital) from surplus reserve														
3. Surplus reserves for making up losses														
4. Changes in defined benefit plan converted to retained earnings														
5. Other comprehensive income converted to retained earnings						(238,922,379.04)								
6. Others														
(VI) Special reserve														
1. Appropriation of current period														
2. Application of current period														
(VII) Others														
IV. Closing balance for the period	3,905,000,000.00			3,656,175,075.26		2,856,752,925.29		2,076,486,432.95		38,183,650,346.15		50,678,264,779.65	3,700,982,081.87	54,379,256,861.52

Consolidated Statement of Changes in Owners' Equity

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2020										Total equity					
	Equity attributable to owners of the Company															
	Paid-in capital (or Share capital)	Preferred shares	Other equity instruments	Other equity instruments	Capital reserve	Treasury stock	Less: comprehensive income	Other comprehensive income	Special reserve	Surplus reserve		General risk provisions	Retained earnings	Others	Sub-total	Non-controlling interests
I. Prior year's closing balance	3,550,000,000.00				4,239,076,571.04			1,483,127,041.17	1,954,816,567.23			34,487,151,762.57		45,714,637,942.01	3,270,212,452.72	48,984,850,394.73
Add: Changes in accounting policies																
Corrections of prior periods errors																
Business combinations involving enterprises under common control																
Others																
II. Opening balance in current year	3,550,000,000.00				4,239,076,571.04			1,483,127,041.17	1,954,816,567.23			34,487,151,762.57		45,714,637,942.01	3,270,212,452.72	48,984,850,394.73
III. Changes in the current period (decrease is presented with "-")																
(i) Total comprehensive income					(241,571,626.92)		288,185,686.36					649,034,853.56		687,658,886.00	63,594,964.19	751,253,850.19
(ii) Owners' contributions and reduction in capital					-		726,063,977.01					1,101,316,487.91		1,827,380,464.92	53,887,048.50	1,881,277,513.42
1. Ordinary shares from owners					(241,571,626.92)									(241,571,626.92)	41,445,108.81	(200,126,520.11)
2. Capital input by holders of other equity instruments																
3. Share-based payment recorded in owners' equity					12,782,188.75									12,782,188.75		12,782,188.75
4. Others					(254,333,817.67)									(254,333,817.67)	11,576,462.80	(254,930,280.47)
(iii) Profit distribution												(886,150,000.00)		(886,150,000.00)	(31,747,193.12)	(923,897,193.12)
1. Appropriation to surplus reserve																
2. Appropriation to general risk provisions																
3. Distributions to owners (or shareholders)																
4. Others														(886,150,000.00)	(31,747,193.12)	(923,897,193.12)

Consolidated Statement of Changes in Owners' Equity

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2020													
	Equity attributable to owners of the Company													
	Paid-in capital (or Share capital)	Preferred shares	Other equity instruments	Other	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Retained earnings	Others	Sub-total	Non-controlling interests	Total equity
(IV) Internal transfer of equity														
1. Transfer to capital (or share capital) from capital reserve										439,888,370.65				
2. Transfer to capital (or share capital) from surplus reserve														
3. Surplus reserves for making up losses														
4. Changes in defined benefit plan converted to related earnings														
5. Other comprehensive income converted to retained earnings														
6. Others														
(V) Special reserve														
1. Appropriation of current period														
2. Application of current period														
(VI) Others														
IV. Closing balance for the period	3,550,000,000.00						3,988,104,190.12	1,769,822,647.33	1,954,818,567.23	35,129,750,821.13	46,402,286,776.01	3,333,807,416.91	49,736,104,194.92	

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the accounting department:

CAI Weichun

Company's Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Current assets:			
Cash and bank balances		2,433,774,939.14	1,299,963,274.29
Accounts receivable	XIV.1	306,347,100.66	359,697,091.95
Receivables financing		1,000,000.00	1,000,000.00
Prepayments		120,110,672.63	36,345,965.67
Other receivables	XIV.2	29,499,211,694.02	32,459,976,718.24
Including: Interests receivable	XIV.2	9,036,367.63	9,069,537.32
Dividends receivable	XIV.2	1,667,821,972.63	2,958,106,450.36
Inventories		3,333,439.79	1,851,919.04
Contract assets		68,546,995.33	63,508,968.26
Non-current assets due within one year		42,654,956.14	47,074,500.00
Other current assets		355,706,019.37	184,119,809.78
Total current assets		32,830,685,817.08	34,453,538,247.23
Non-current assets:			
Long-term receivables		187,669,829.39	261,383,468.63
Long-term equity investments	XIV.3	20,770,178,317.85	20,540,883,665.40
Other equity instrument investments		2,795,379,404.03	2,342,809,849.82
Other non-current financial assets		20,100,000.00	20,100,000.00
Fixed assets		24,857,501.94	28,332,687.63
Construction in progress		56,042,608.59	46,854,205.04
Right-of-use assets		2,707,825.48	–
Intangible assets		269,746,026.29	276,668,672.03
Long-term prepaid expenses		20,003,518.41	21,338,386.32
Deferred tax assets		227,670,991.30	483,196,562.20
Other non-current assets		2,703,018,022.78	2,300,721,882.18

Company's Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Total non-current assets		27,077,374,046.06	26,322,289,379.25
Total assets		59,908,059,863.14	60,775,827,626.48
Current liabilities:			
Short-term loans		4,586,657,331.30	5,012,438,306.13
Notes payable		300,000,000.00	–
Accounts payable		75,187,354.84	83,576,930.85
Advance from customers		93,394,856.85	41,012,002.24
Contract liabilities		728,770,023.84	848,611,175.36
Payroll payable		51,280,217.14	95,905,952.50
Taxes payable		27,245,152.79	–
Other payables		26,092,195,103.79	24,924,966,658.16
Including: Interests payable		–	2,076,555.52
Non-current liabilities due within one year		4,489,988,827.75	6,223,833,969.14
Other current liabilities		87,863,657.21	114,419,192.48
Total current liabilities		36,532,582,525.51	37,344,764,186.86

Company's Balance Sheet

30 June 2021

Prepared by: Red Star Macalline Group Corporation Ltd.

Unit: Yuan Currency: RMB

Items	Note	30 June 2021 Unaudited	31 December 2020 Audited
Non-current liabilities:			
Long-term loans		2,522,263,176.03	2,784,000,770.48
Bonds payable		996,813,214.89	2,489,414,936.19
Lease liabilities		2,747,796.03	–
Long-term payables		85,979,143.50	156,770,759.24
Deferred income		815,205.04	71,800.18
Other non-current liabilities		810,923,074.58	363,303,705.22
Total non-current liabilities		4,419,541,610.07	5,793,561,971.31
Total liabilities		40,952,124,135.58	43,138,326,158.17
Owners' equity (or shareholders' equity):			
Paid-in capital (or Share capital)		3,905,000,000.00	3,905,000,000.00
Other equity instruments			
Capital reserve		4,933,506,571.11	4,825,621,385.84
Other comprehensive income		1,178,605,299.29	789,631,598.82
Surplus reserve		1,896,667,865.72	1,896,667,865.72
Retained earnings		7,042,155,991.44	6,220,580,617.93
Total owners' equity (or shareholders' equity)		18,955,935,727.56	17,637,501,468.31
Total liabilities and owners' equity (or shareholders' equity)		59,908,059,863.14	60,775,827,626.48

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the
accounting department:

CAI Weichun

Company's Income Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
I. Revenue	XIV.4	824,165,599.92	632,412,561.12
Less: Cost of sales	XIV.4	169,837,031.20	158,760,665.04
Taxes and surcharges		7,234,285.97	5,383,941.87
Distribution and selling expenses		85,872,626.27	91,660,904.53
General and administrative expenses		400,855,575.14	337,701,455.47
Financial expenses		280,756,450.07	510,083,020.98
Including: Interest expenses		772,019,191.36	883,281,139.84
Interest income		524,236,514.19	458,790,518.98
Add: Other income		2,821,630.82	11,060,587.98
Investment income (losses are presented with "-")	XIV.5	906,486,609.63	638,667,282.62
Including: Investment income from associates and joint ventures		18,911,663.45	26,020,697.14
Impairment losses of credit (losses are presented with "-")		(93,495,820.47)	17,823,439.50
Impairment losses of assets (losses are presented with "-")		26,487,260.56	–
Gain from disposal of assets (losses are presented with "-")		67,999.73	(295,594.57)
II. Operating profit (losses are presented with "-")		721,977,311.54	196,078,288.76
Add: Non-operating income		1,158,261.64	472,848.96
Less: Non-operating expenses		158,920.85	27,800,532.93
III. Total profit (total losses are presented with "-")		722,976,652.33	168,750,604.79
Less: Income tax expense		71,369,022.27	(93,645,163.24)

Company's Income Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
IV. Net profit (net losses are presented with “-”)		651,607,630.06	262,395,768.03
(I) Net profit from continuing operations (net losses are presented with “-”)		651,607,630.06	262,395,768.03
V. Other comprehensive income (after tax)		558,941,443.92	344,018,740.72
(I) Other comprehensive income that will not be reclassified to profit or loss		558,941,443.92	344,018,740.72
1. Changes in fair value of other equity instrument investments		558,941,443.92	344,018,740.72
VI. Total comprehensive income		1,210,549,073.98	606,414,508.75

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the
accounting department:

CAI Weichun

Company's Cash Flow Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
I. Cash Flows from Operating Activities:			
Cash received from the sales of goods and rendering of services		562,067,813.62	786,405,729.33
Refunds of taxes received			
Other cash received relating to operating activities		183,152,510.33	15,417,098.25
Sub-total of cash inflow from operating activities		745,220,323.95	801,822,827.58
Cash payments for goods purchased and services received		187,726,055.99	25,951,683.80
Cash payments to and on behalf of employees		420,743,017.96	445,690,150.62
Payments of various types of taxes		241,056,330.34	115,571,167.54
Other cash payments relating to operating activities		214,033,719.62	333,337,948.64
Sub-total of cash outflow from operating activities		1,063,559,123.91	920,550,950.60
Net cash flows from operating activities		(318,338,799.96)	(118,728,123.02)
II. Cash Flows from Investing Activities:			
Cash received from disposal of investments		89,006,990.00	19,357,497.64
Cash received from investment income		2,023,610,053.07	1,169,390,153.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		67,999.73	188,209.68
Net cash paid for disposal of subsidiaries and other business units		178,401,663.31	735,498,158.86
Other cash received relating to investing activities		6,181,347,739.18	1,443,366,417.67
Sub-total of cash inflow from investing activities		8,472,434,445.29	3,367,800,437.02
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		22,408,316.75	27,533,113.63
Cash paid for investments		203,350,000.00	943,712,000.99
Net cash paid for acquisition of subsidiaries and other business units		255,225,000.00	1,702,026,918.87
Other cash paid relating to investing activities		5,062,513,849.24	4,110,847,725.69
Sub-total of cash outflow from investing activities		5,543,497,165.99	6,784,119,759.18
Net cash flow from investing activities		2,928,937,279.30	(3,416,319,322.16)

Company's Cash Flow Statement

January – June 2021

Unit: Yuan Currency: RMB

Items	Note	Six months ended 30 June	
		2021 Unaudited	2020 Unaudited
III. Cash Flows from Financing Activities:			
Cash received from borrowings		7,021,006,780.00	5,821,014,475.00
Other cash received relating to financing activities		4,406,206,394.26	5,145,599,408.22
Sub-total of cash inflow from financing activities		11,427,213,174.26	10,966,613,883.22
Cash repayments of borrowings		10,366,210,110.00	4,111,400,708.44
Cash payments for distribution of dividends or profits or settlement of interest expenses		482,406,561.80	413,653,406.59
Other cash paid relating to financing activities		3,524,962,877.01	2,026,373,506.96
Sub-total of cash outflow from financing activities		14,373,579,548.81	6,551,427,621.99
Net cash flow from financing activities		(2,946,366,374.55)	4,415,186,261.23
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(41,548.22)	(337,824.62)
V. Net Increase in Cash and Cash Equivalents		(335,809,443.43)	879,800,991.43
Add: Opening balance of cash and cash equivalents		1,070,463,274.29	1,494,580,503.54
VI. Closing Balance of Cash and Cash Equivalents		734,653,830.86	2,374,381,494.97

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

XI Shichang

Person in charge of the
accounting department:

CAI Weichun

Statement of Changes in Owners' Equity of the Company

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2021							Total equity		
	Paid-in capital (or Share capital)	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Less: comprehensive income		Other Special reserve	Surplus reserve
I. Prior year's closing balance	3,905,000,000.00				4,825,821,385.84		789,631,598.82	1,896,667,865.72	6,220,580,617.93	17,637,501,468.31
Add: Changes in accounting policies										
Corrections of prior periods errors										
Others										
II. Opening balance in current year	3,905,000,000.00				4,825,821,385.84		789,631,598.82	1,896,667,865.72	6,220,580,617.93	17,637,501,468.31
III. Changes in the current period (decrease is presented with "-")										
(I) Total comprehensive income					107,885,185.27		388,973,700.47		821,575,373.51	1,318,434,259.25
(II) Owners' contributions and reduction in capital							558,941,443.92		651,607,630.06	1,210,549,073.98
1. Ordinary shares from owners					107,885,185.27					107,885,185.27
2. Capital input by holders of other equity instruments										
3. Share-based payment recorded in owners' equity										
4. Others										
(III) Profit distribution					107,885,185.27					107,885,185.27
1. Appropriation to surplus reserve										
2. Distributions to owners (or shareholders)										
3. Others										

Statement of Changes in Owners' Equity of the Company

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2021							Total equity				
	Participating (or Share capital)	Preferred shares	Perpetual bonds	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income					
								Retained earnings	Surplus reserve	Special reserve		
(IV) Internal transfer of equity												
1. Transfer to capital (or share capital) from capital reserve							(169,967,743.45)					169,967,743.45
2. Transfer to capital (or share capital) from surplus reserve												
3. Surplus reserves for making up losses												
4. Changes in defined benefit plan converted to retained earnings												
5. Other comprehensive income converted to retained earnings							(169,967,743.45)					169,967,743.45
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Closing balance for the period	3,905,000,000.00				4,933,606,571.11		1,176,605,299.29		1,896,667,865.72		7,042,155,991.44	18,955,935,727.56

Statement of Changes in Owners' Equity of the Company

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2020							Total equity						
	Paid-in capital (or Share capital)	Preferred shares	Other equity instruments Perpetual bonds	Others	Capital reserve	Treasury stock	Less: comprehensive income		Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
I. Prior year's closing balance	3,550,000,000.00				5,163,201,262.03			357,819,908.70	1,775,000,000.00	6,023,789,736.76	16,869,810,907.49			
Add: Changes in accounting policies														
Corrections of prior periods errors														
Others														
II. Opening balance in current year	3,550,000,000.00				5,163,201,262.03			357,819,908.70	1,775,000,000.00	6,023,789,736.76	16,869,810,907.49			
III. Changes in the current period (decrease is presented with "-")														
(i) Total comprehensive income					12,782,188.75			343,838,038.76			(635,573,530.01)	(278,953,302.50)		
(ii) Owners' contributions and reduction in capital											262,395,768.03	606,414,508.75		
1. Ordinary shares from owners					12,782,188.75			344,018,740.72				12,782,188.75		
2. Capital input by holders of other equity instruments														
3. Share-based payment recorded in owners' equity														
4. Others														
(iii) Profit distribution														
1. Appropriation to surplus reserve														
2. Distributions to owners (or shareholders)														
3. Others														
					12,782,188.75							12,782,188.75		
												(898,150,000.00)	(898,150,000.00)	
													(898,150,000.00)	(898,150,000.00)

Statement of Changes in Owners' Equity of the Company

January – June 2021

Unit: Yuan Currency: RMB

Items	Six months ended 30 June 2020							Total equity				
	Paid-in capital (or Share capital)	Preferred shares	Other equity instruments Perpetual bonds	Others	Capital reserve	Treasury stock	Less: comprehensive income		Other comprehensive income	Special reserve	Surplus reserve	Retained earnings
(IV) Internal transfer of equity												180,701.96
1. Transfer to capital (or share capital) from capital reserve								(180,701.96)				
2. Transfer to capital (or share capital) from surplus reserve												
3. Surplus reserves for making up losses												
4. Changes in defined benefit plan converted to retained earnings												
5. Other comprehensive income converted to retained earnings								(180,701.96)				180,701.96
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Closing balance for the period	3,650,000,000.00				5,175,983,450.78		701,657,947.46		1,775,000,000.00	5,388,216,206.75		16,590,857,604.99

Person in charge of the Company:

CHE Jianxing

Person in charge of accounting:

Xi Shichang

Person in charge of the accounting department:

CAI Weichun

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

I. GENERAL INFORMATION OF THE COMPANY

1. Company Overview

Red Star Macalline Group Corporation Ltd. (formerly known as Shanghai Red Star Macalline Home Furnishing Company Limited** (上海紅星美凱龍家居傢飾品有限公司) and Shanghai Red Star Macalline Enterprise Management Company Limited** (上海紅星美凱龍企業管理有限公司), hereinafter referred to as “the Company”) is a limited liability company jointly established by Red Star Macalline Holding Group Company Limited** (紅星美凱龍控股集團有限公司) (Used name: Shanghai Red Star Macalline Investment Company Limited** (上海紅星美凱龍投資有限公司)) and Red Star Furniture Group Co., Ltd.** (紅星傢俱集團有限公司) on 18 June 2007 in Shanghai, the People’s Republic of China (the “PRC”), with a term of operation of 10 years and an original registered capital and paid-in capital of RMB120,000,000.00. The Company is headquartered in Lane 1466, Shenchang Road, Minhang District, Shanghai.

On 2 November 2007, Red Star Furniture Group Co., Ltd. transferred all the 90% equity held by it to Red Star Macalline Holding Group Company Limited, and completed the business registration for such change on 16 November 2007, after which, Red Star Macalline Holding Group Company Limited held 100% equity of the Company.

According to the resolution passed at the general meeting of the Company on 21 November 2008 and as approved by Shanghai Municipal Commission of Commerce in its document dated 12 December 2008 (Hu Shang Wai Zi Pi [2008] No. 519), the Company decided to increase its registered capital by RMB24,578,313.00, which was contributed by Candlewood Investment SRL and Springwood Investment SRL, two new foreign shareholders. As such, the Company changed in nature from a domestic enterprise into a Sino-foreign joint venture, with its name changed from Shanghai Red Star Macalline Home Furnishing Company Limited to Shanghai Red Star Macalline Enterprise Management Company Limited. After such capital increase, the registered capital and paid-in capital of the Company amounted to RMB144,578,313.00.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

I. GENERAL INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

According to the absorption and merger agreement of the Company dated 8 August 2009 and the provisions of the Articles of Association as amended, the Company applied to absorb and merge with Tianjin Red Star Macalline Home Decoration Co., Ltd.** (天津紅星美凱龍傢飾有限公司). Tianjin Red Star Macalline Home Decoration Co., Ltd. is a limited liability company established in Tianjin, the PRC on 1 June 2007, with a term of operation of 10 years and an original registered capital of RMB40,000,000.00, and is mainly engaged in the wholesale and retail of and investment management, investment consultation and commodity information consultation in relation to furniture, construction materials and decoration materials, as well as the provision of design planning and management services for the shopping malls under operation and other businesses. According to the resolution passed at the general meeting of Tianjin Red Star Macalline Home Decoration Co., Ltd. on 1 November 2007 and as approved by Tianjin Municipal Commission of Commerce in its document dated 24 December 2007 (Jin Shang Wu Zi Guan [2008] No. 680), Tianjin Red Star Macalline Home Decoration Co., Ltd. decided to increase its registered capital by RMB11,880,674.00, which was contributed by Candlewood Investment SRL and Springwood Investment SRL, two new foreign shareholders. As such, Tianjin Red Star Macalline Home Decoration Co., Ltd. changed in nature from a domestic enterprise into a Sino-foreign joint venture. After such capital increase, the registered capital and paid-in capital of Tianjin Red Star Macalline Home Decoration Co., Ltd. amounted to RMB51,880,674.00. The Company had paid its equity to the shareholders of Tianjin Red Star Macalline Home Decoration Co., Ltd. as the merger consideration upon the absorption and merger of Tianjin Red Star Macalline Home Decoration Co., Ltd., after which, the registered capital and paid-in capital of the Company amounted to RMB196,458,987.00.

According to the resolution passed at the Board meeting of the Company on 28 March 2010 and the provisions of the Articles of Association as amended, the Company applied to increase its registered capital by RMB25,960,651.00 to RMB222,419,638.00. Such increase in the registered capital had been contributed in full by the new shareholders, namely Beijing Ruibang Beite Entrepreneur Investment Center (Limited Partnership), WHWH Group Company Limited, Beijing Yaxiang Xingtai Investment Company Limited, Tianjin Jinkai Equity Investment Fund Partnership (Limited Partnership), Lianyungang Fairbay Infrastructure Construction Company Limited, Mianyang Science and Technology Park Industry Fund (Limited Partnership), Beijing Bainian Decheng Entrepreneur Investment Center (Limited Partnership), Shanghai Yinping Investment Management Company Limited, Shanghai Junyi Investment Consultancy Company Limited, Shanghai Ping'an Pharmacy Company Limited and Nantong Qianjun Construction Material Company Limited. After such capital increase, the registered capital and paid-in capital of the Company amounted to RMB222,419,638.00, and the Company completed the business registration in respect of such change on 1 June 2010.

I. GENERAL INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

According to the resolution passed at the Board meeting of the Company on 22 June 2010 and the provisions of the Articles of Association as amended, the Company applied to increase its registered capital by RMB5,866,965.00 to RMB228,286,603.00. Such increase in the registered capital had been contributed in full by the new shareholders, namely Shanghai Meilong Assets Management Company Limited, Shanghai Xingkai Business Administration Company Limited and Shanghai Hongmei Investment Management Company Limited. After such capital increase, the registered capital and paid-in capital of the Company both amounted to RMB228,286,603.00, and the Company completed the business registration in respect of such change on 28 July 2010.

According to the approval of the Ministry of Commerce of the People's Republic of China dated 23 December 2010 (Shang Zi Pi [2010] No. 1266), the resolution of the Board meeting, and the provisions of the sponsor agreement and Articles of Association of the Company, the Company was converted into a foreign-invested joint stock limited company in accordance with laws and changed its name to Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司). The Company converted RMB3,000,000,000.00 out of the audited net assets of RMB3,260,932,367.04 of Shanghai Red Star Macalline Enterprise Management Company Limited as at 30 June 2010 at a conversion rate of 1:1 into a registered capital of RMB3,000,000,000.00, divided into 3,000,000,000 shares in total with a par value of RMB1 each, and paid the registered capital of RMB3,000,000,000.00, representing 100% of the Company's registered capital. The Company completed the business registration in respect of such change on 6 January 2011.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

I. GENERAL INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

According to the resolution at the second extraordinary general meeting of the Company in 2015, the Articles of Association as amended and the approval of Shanghai Municipal Commission of Commerce (Hu Shang Wai Zi Pi [2015] No. 398), the Company applied to increase its registered capital by RMB80,329,038.00 by way of capital contribution from Candlewood Investment SRL and Springwood Investment SRL of RMB60,917,952.00 and RMB19,411,086.00, respectively. After such capital increase, the registered capital and paid-in capital of the Company amounted to RMB3,080,329,038.00. In the meanwhile, Beijing Ruibang Beite Entrepreneur Investment Center (Limited Partnership), WHWH Group Company Limited, Beijing Yaxiang Xingtai Investment Company Limited, Tianjin Jinkai Equity Investment Fund Partnership (Limited Partnership), Lianyungang Fairbay Infrastructure Construction Company Limited, Mianyang Science and Technology Park Industry Fund (Limited Partnership), Beijing Bainian Decheng Entrepreneur Investment Center (Limited Partnership), Shanghai Yinping Investment Management Company Limited, Shanghai Junyi Investment Consultancy Company Limited and Nantong Qianjun Construction Material Company Limited, all being the original shareholders of the Company, transferred their shares in the Company to Red Star Macalline Holding Group Company Limited, the controlling shareholder of the Company. The Company completed the business registration in respect of such change on 6 February 2015.

Pursuant to the proposal of the Board, as approved at the fourth extraordinary general meeting of the Company in 2015, and as permitted by China Securities Regulatory Commission on 8 May 2015 via the Approval of the Issuance of Overseas-listed Foreign Shares by Red Star Macalline Group Corporation Ltd. (Zheng Jian Xu Ke [2015] No. 822), the Company publicly issued no more than 1,180,792,000 overseas-listed foreign shares (H Shares) to overseas investors and were listed and traded on the Main Board of Hong Kong Stock Exchange. As of 26 June 2015, the Company completed the issuance of 543,588,000 overseas-listed foreign shares (H Shares) with a par value of RMB1.00 per share to overseas investors at a price of HK\$13.28 per share. After such issuance, the paid-in capital (share capital) of the Company amounted to RMB3,623,917,038.00, representing 3,623,917,038 ordinary shares of RMB1.00 per share, including 2,561,103,969 domestic shares with restrictive conditions for sale and 1,062,813,069 overseas-listed foreign shares (H Shares) with no restrictive conditions for sale. On 26 June 2015, such overseas-listed foreign shares (H Shares) publicly issued were listed and traded on the Hong Kong Stock Exchange. The Company completed the business registration in respect of such change on 7 September 2015.

I. GENERAL INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

Approved at the second extraordinary general meeting of 2016 and permitted on 22 December 2017 in Reply on Approval of Initial Public Offering of Shares by Red Star Macalline Group Corporation Ltd. (Zheng Jian Xu Ke [2017] No. 2373 Document) issued by the China Securities Regulatory Commission, the Company carried out public offering of no more than 315,000,000 RMB-denominated ordinary shares (A shares), which were listed and traded at the Shanghai Stock Exchange. As of 17 January 2018, the Company completed the public offering of RMB-denominated ordinary shares (A shares) totaling 315,000,000 shares with a nominal value of RMB1.00 per share, and the issue price per share amounted to RMB10.23. Upon completion of the offering, the paid-in capital (share capital) of the Company amounted to RMB3,938,917,038.00, among which, the number of RMB-denominated shares (A shares) subject to trading moratorium was 2,561,103,969 shares; the number of RMB-denominated shares (A shares) not subject to trading moratorium was 315,000,000 shares, and the number of overseas-listed foreign shares (H shares) not subject to trading moratorium was 1,062,813,069 shares. The Company completed the business registration in respect of such change on 20 March 2018.

As considered and approved at the 2017 Annual General Meeting, A Share Shareholders' Class Meeting and H Share Shareholders' Class Meeting, the Company repurchased 388,917,038 overseas-listed foreign shares (H shares) at an offer price of HK\$11.78 per share by way of conditional voluntary cash offer. The Company has completed the offer and cancelled such H shares in July 2018, after which the paid-in capital (share capital) of the Company amounted to RMB3,550,000,000.00. The Company completed the business registration in respect of such change on 29 September 2018.

As considered and approved at the 2019 Annual General Meeting, A Share Shareholders' Class Meeting and H Share Shareholders' Class Meeting, the Company issued 0.1 bonus share per 1 share by way of conversion of capital reserve to all of its shareholders, based on the total share capital of 3,550,000,000 shares prior to the implementation of the profit distribution plan for 2019, which resulted in an increase of 355,000,000 shares in total. After the distribution, the paid-in capital (share capital) of the Company amounted to RMB3,905 million, representing an increase of RMB355 million, which decreased the capital reserve by RMB355 million. The additional tradable shares not subject to selling restrictions have been listed on 7 July 2020.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

I. GENERAL INFORMATION OF THE COMPANY (continued)

1. Company Overview (continued)

The business scope of the Company and its subsidiaries (hereinafter referred to as the “Group”) mainly includes providing investees with management service, enterprise management and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services, exhibition and display services.

The parent company and ultimate parent company of the Group is Red Star Macalline Holding Group Company Limited incorporated in Shanghai, the People’s Republic of China, and our actual controller is Che Jianxing.

These financial statements have been approved by the Board of the Company by resolutions on 25 August 2021.

2. Scope of Consolidated Financial Statements

The consolidation scope of these consolidated financial statements shall be determined on the basis of control. Refer to “Financial Reports VI. Change in scope of consolidation” for the change of scope for the year.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis.

2. Going concern

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises-Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guide, interpretation and other relevant provisions promulgated and revised thereafter (the “Accounting Standards for Business Enterprises”).

As of 30 June 2021, the Group’s current liabilities in aggregate exceeded its current assets in aggregate with an amount of RMB17.917 billion. The management of the Group had assessed its ongoing operation for the 12 months starting from 1 July 2021, and after taking into account unutilized bank facilities as at 30 June 2021, expected cash inflows from operating activities and financing arrangements, and the Group believes that the liquidity risk arising from the fact that its current assets are less than its current liabilities as of 30 June 2021 that the Group is exposed to falls within the range of control, and thus has no material effect on the ongoing operation and financial statements of the Group. Therefore, these financial statements have been prepared on a going concern basis.

When preparing the financial statements, except for certain financial instruments and investment properties, the financial statements have been carried at historical cost basis. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant provisions.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates are indicated as follows:

The Group formulated specific accounting policies and accounting estimates according to the characteristics of its actual production and operation, which is mainly embodied in the allowance for bad debts in relation to accounts receivable, the recognition and measurement of revenue and investment properties.

1. Declaration Following ASBEs (Accounting Standards for Business Enterprises)

The financial statements of the Company have been prepared in accordance with ASBEs, and presented truly and completely the Company's financial position, operating results, changes in shareholders' equity, cash flows and other relevant information.

2. Accounting Period

Accounting year of the Company is the calendar year from 1 January to 31 December.

3. Operating Cycle

Operating cycle refers to the period from the purchase of assets used for processing to the realization of cash or cash equivalents. The Group's brand consulting and management service for the early stage of the project has an operating cycle that starts from the permission for relevant managed shopping malls to use the brands that are intangible assets of the Group and ends upon the opening of such managed shopping malls. The Group's commercial management and consultation service for construction project has an operating cycle that starts from the provision of relevant consultation service for the construction of managed shopping malls and ends upon the opening of such managed shopping malls. The Group's business of Owned/Leased Portfolio Shopping Malls, business relating to managed shopping malls other than the brand consulting and management service for the early stage of the project, business of product sales and relevant services as well as other businesses have an operating cycle of or less than 12 months. The Group takes 12 months as the liquidity criterion to categorize assets and liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

4. Functional Currency

The Group adopts Renminbi (“RMB”) as its functional currency and to prepare its financial statements. Unless otherwise stated, the financial statements are all presented in RMB.

The subsidiaries, Joint ventures, Associates of the Group determine their functional currencies according to the main economic environment where they operate and convert to RMB when preparing financial statements.

5. The Accounting Treatment of Business Combinations Involving Enterprises Under Common Control and Not Under Common Control

Business combinations are classified into business combinations involving enterprises under common control and business combinations involving enterprises not under common control.

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving enterprises under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party and the other combining enterprise(s) is (are) the merged party. The combination date refers to the date on which the merging party actually obtains control of the merged parties.

Assets and liabilities that are obtained in a business combination involving enterprises under common control, including goodwill arising from the acquisition of the merging party by the ultimate controller, shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller at the combination date. The difference between the carrying amount of the net assets obtained by the merging party and the carrying amount of the consideration paid for the combination (or the aggregate par value of shares issued) is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. The Accounting Treatment of Business Combinations Involving Enterprises Under Common Control and Not Under Common Control (continued)

Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. In a business combination involving enterprises not under common control, the party which obtains control of other combining enterprise(s) on the acquisition date is the acquirer and the other combining enterprise(s) is (are) the acquiree(s). The acquisition date refers to the date on which the acquirer actually obtains control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination involving enterprises not under common control are measured at fair value at the acquisition date.

The excess of the fair value of the sum of the combination consideration paid (or the fair value of equity securities issued) and equity interests in the acquiree held prior to the acquisition date over the fair value of the acquiree's identifiable net assets acquired in combination, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment losses. In case the fair value of the sum of the combination consideration paid (or the fair value of equity securities issued) and equity interests in the acquiree held prior to the acquisition date is less than the fair value of the acquiree's identifiable net assets acquired in combination, a review of the measurement of the fair values of the various identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination of the acquiree (or the fair value of equity securities issued) and the equity interests in the acquiree held prior to the acquisition date is conducted. If the review indicates that the fair value of the sum of the consideration paid for the combination (or the fair value of equity securities issued) and equity interests in the acquiree held prior to the acquisition date is indeed less than the fair value of the acquiree's identifiable net assets acquired in combination, the difference is recognized in current profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation Method of Consolidated Financial Statements

The consolidation scope of the consolidated financial statements is determined on the basis of control, including the financial statement of the Company and all of its subsidiaries, which represent the entities controlled by the Company (including separable parts of an enterprise or investee and structured entities controlled by the Company).

In preparation of consolidated financial statements, the subsidiaries use the same accounting year and accounting policies as those of the Company. All intra-group assets, liabilities, interests, income, expenses and cash flows are eliminated in full on consolidation.

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of owner's equity of the subsidiary, the excess shall be allocated against minority interests.

For a subsidiary acquired through business combinations involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements, from the date on which the Group gains control till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving enterprises under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative consolidated financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination has been existing since the ultimate controller begins to exercise control.

The Group's control over an investee is re-assessed if change in relevant facts and situations causes changes in one or more of the control substances.

Where there is no loss of control, the change in minority interests is accounted for as equity transaction.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Classification of Joint Arrangements and Accounting Treatment for Joint Operations

There are two types of joint arrangements – joint operations and joint ventures. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint operators only have rights to the net assets of the arrangement.

8. Recognition Standard for Cash and Cash Equivalents

Cash equivalents are enterprises' short-term (it generally expires within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of Transactions and Financial Statements Denominated in Foreign Currencies

The Group translates the amount of foreign currency transactions occurred into its functional currency.

Foreign currency transactions are recorded, on initial recognition, in the functional currency, by applying the foreign currency amount the spot exchange rate prevailing on the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. All the resulting differences on settlement and monetary item translation are taken to profit or loss for the current period, except for those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalised in accordance with the principle of capitalisation of borrowing costs. Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair values are determined. The difference thus resulted are recognised in profit or loss for the current period or as other comprehensive income based on the nature of the non-monetary items.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Translation of Transactions and Financial Statements Denominated in Foreign Currencies (continued)

Foreign currency cash flows and cash flows of overseas subsidiaries are translated using the spot exchange rate at the date when the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the cash flow statement.

10. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the account and balance sheet, when the following conditions are met:

- (1) the rights to receive cash flows from the financial asset expire;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and either (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Recognition and derecognition of financial instruments (continued)

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales of financial assets refer to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by law or general practice. The trade date is the date on which the Group undertakes to buy or sell a financial asset.

Classification and measurement of financial assets

On initial recognition, the Group's financial assets are classified based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows as: financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income. Only if the Group changes its business model for managing financial assets, all affected related financial assets can be reclassified.

Financial assets are initially recognized at fair value. However, if the initial recognition of accounts receivable or notes receivable arising from sale of goods or provision of services does not include significant financing components or does not consider financing components not exceeding one year, it shall be initially recognized as the transaction price.

For the financial assets at fair value through profit or loss, related transaction expenses are directly charged to profit or loss for the current period; for other financial assets, related transaction expenses are included in the initial recognized amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Classification and measurement of financial assets (continued)

The subsequent measurement of a financial asset is determined by its category:

Debt instrument investment measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to collect contractual cash flows; and the contractual terms of the financial asset set that the cash flows on specified dates are solely payments of principal and the interest based on the outstanding amount of principal. The interest income from such financial asset is recognized using the effective interest method, and gains or losses arising from its derecognition, revision or impairment is recognized in profit or loss for the current period.

Debt instrument investment at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held by the Group within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset set that the cash flows on specified dates are solely payments of principal and interest on the outstanding amount of principal. The interest income from such financial asset is recognized using the effective interest method. The change in fair value of such financial asset shall be recognized in other comprehensive income, except for interest income, impairment losses and exchange differences recognized in profit or loss for the current period. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income is reclassified from other comprehensive income to profit or loss for the current period.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Classification and measurement of financial assets (continued)

Equity instrument investment at fair value through other comprehensive income

The Group irrevocably opts to assign some of the investments in non-tradable equity instruments to financial assets at fair value through other comprehensive income, and only recognizes relevant dividend incomes (excluding dividend incomes taken back clearly as part of investment cost) in profit or loss for the current period, while subsequent changes in fair value is recognized as other comprehensive income, without needing to withdraw impairment allowance. When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than those measured at amortized cost and at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, except those related to hedge accounting, and all changes in fair value are recognized in profit or loss for the current period.

Neither a certain financial asset designated as the financial asset at fair value through profit or loss by an enterprise at the time of initial recognition can be reclassified as other financial assets nor can other financial assets be redesignated as financial assets at fair value through profit or loss after initial recognition.

Based on the above condition, such financial assets designated by the Group mainly include derivatives, stocks and funds purchased from the secondary market for the purpose of earning price spread.

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified as other financial liabilities. Transaction expenses relating to other financial liabilities are included in the initial recognized amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Classification and measurement of financial liabilities (continued)

The subsequent measurement of financial liability is determined by its category:

Other financial liabilities

Such financial liabilities are subsequently measured at amortized cost by using the effective interest method.

Impairment of financial instrument

On the basis of expected credit losses, the Group performs the impairment treatment on financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, lease receivables, and contract assets and recognizes the loss provision.

For receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement method to measure loss provision based on the amount of expected credit losses for the entire duration of the life.

For lease receivables, the Group uses a simplified measurement method to measure loss provision based on the amount of expected credit losses for the entire duration of the life.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Impairment of financial instrument (continued)

For financial assets other than those measured by the aforesaid simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition (at the first phase), the Group measures the loss provision based on the amount of expected credit loss over the next 12 months and calculates the interest income based on the book balance and effective interest rate; if the credit risk has increased significantly but the financial assets have not yet been credit-impaired since the initial recognition (at the second phase), the Group measures the loss provision based on the amount of expected credit losses for the entire duration of the life and calculates the interest income based on the book balance and effective interest rate; if the financial assets have been credit-impaired since the initial recognition (at the third phase), the Group measures the loss provision based on the amount of expected credit losses for the entire duration of the life and calculates the interest income based on the amortized cost and effective interest rate. For financial instruments that have lower credit risk on the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition.

Expected credit losses of financial instruments are assessed on an individual basis and group basis by the Group. The Group assesses expected credit losses of financial instruments including accounts receivable, other receivables, contract assets and long-term receivables based on grouping by age and in light of credit risk characteristics of different customers.

Refer to Financial Reports VIII. Risks Related to Financial Instruments for disclosures including the Group's criteria for judging the significant increase of credit risk, definition of credit-impaired assets and assumption of expected credit loss measurement.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the book balance of the financial assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instrument (continued)

Elimination of financial instruments

The net amount after eliminating financial assets and financial liabilities is presented in the balance sheet if the following conditions are satisfied: a lawful right exists for eliminating recognized amounts, and such lawful right is currently enforceable; it is planned that the financial assets and financial liabilities are to be netted against each other, or that they are to be realized and settled simultaneously.

Derivative financial instruments

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge exchange rate risk. Derivative financial instruments are initially measured at the fair value of the day when the derivative transaction contract is signed, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset, and those with a negative fair value are recognized as a liability.

Except for hedging accounting, gains or losses arising from changes in fair value of derivative instruments are directly included in the current profit and loss.

Transfer of financial assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, it derecognizes the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, it does not derecognize the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it is accounted for as follows: if the Group has not retained control of the financial asset, it derecognizes the financial asset and recognizes any resulting assets or liabilities; if the Group has retained control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability.

For continuing involvement by providing financial guarantee in respect of the transferred financial assets, the assets arising from such involvement is recognized as the lower of the book value of the financial assets and the amount of the financial guarantee. Amount of financial guarantee refers to the maximum amount to be repayable on demand among the considerations received.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Notes receivable

Determination and accounting treatment of the ECL of notes receivable

The relevant accounting policies of notes receivable have been included in “Financial Reports III.10. Financial Instrument”.

12. Accounts receivable

Determination and accounting treatment of the ECL of accounts receivable

The relevant accounting policies of accounts receivable have been included in “Financial Reports III.10. Financial Instrument”.

13. Receivables financing

The relevant accounting policies of receivables financing have been included in “Financial Reports III.10. Financial Instrument”.

14. Other receivables

Determination and accounting treatment of the ECL of other receivables

The relevant accounting policies of other receivables have been included in “Financial Reports III.10. Financial Instrument”.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Inventories

Inventories mainly include goods in inventory and low-value consumables, etc.

Inventories are initially measured at cost. Cost of inventories comprises costs of purchase and other cost. When the inventories are delivered, the actual costs of the delivered inventories are determined by using the method of weighted average. Low-value consumables are amortized by using the one-time writing-off method.

The inventory system is a perpetual inventory system.

On the balance sheet date, the inventories shall be measured at the lower of cost and net realizable value. When the cost is higher than the net realizable value, inventory impairment allowance shall be provided and included in current profit or loss. In case the factors impacting the previous providing of the inventory impairment allowance are eliminated, making the net realizable value of the inventory be higher than its book value, the write-down amount should be recovered from the amount of inventory impairment allowance previously provided and the corresponding amount shall be reversed to current profit or loss.

The net realizable value represents the amount derived by deducting the potential cost, estimated sale expenses and related taxes to the completion date from the estimated selling price of the inventory in daily activities. When providing the inventory impairment allowance, the finished products shall be provided by categories.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Contract Assets

(1) Recognition and standard of contract assets

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Group offsets contract assets and contract liabilities of same contract and presents in net amount.

Contract assets refer to the right to receive consideration in exchange for goods or services that the Group has transferred to customers, and that right is conditioned on factors other than the passage of time.

(2) Determination and accounting treatment of expected credit loss of contract assets

For the Group's methods for determining expected credit loss of contract assets and accounting treatment methods, please refer to "Financial Reports III.10. Financial Instruments".

17. Long-term Receivables

Determination and accounting treatment of expected credit loss of long-term receivables

For the Group's methods for determining expected credit loss of long-term receivables and accounting treatment methods, please refer to "Financial Reports III.10. Financial Instruments".

18. Long-term Equity Investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Long-term Equity Investments (continued)

A long-term equity investment is initially recorded at its initial investment cost on acquisition. For a long-term equity investment acquired under business combination involving entities under common control, the initial investment cost is the share of the book value of the owner's equity of the party being combined on the date of business combination in the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the book value of the consideration for combination is adjusted to capital reserve (or charged against retained earnings if there is any shortfall). Other comprehensive income held prior to the date of business combination is accounted for on the same basis as where the relevant assets or liabilities are directly disposed of by the investee in disposal of such investment. Shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit appropriation is taken to profit or loss for the current period upon disposal of such investment. In particular, those which remain as long-term equity investments upon disposal are carried forward in proportion, and those which are converted to financial instruments upon disposal are carried forward in full. For a long-term equity investment acquired through a business combination not involving entities under common control, the initial investment cost is the cost of business combination (Business combination not involving entities under common control which is achieved after multiple transactions, the initial investment cost is the sum of book value of equity investments of the acquiree held prior to the date of acquisition and the addition to investment cost on the date of acquisition). Cost of business combination includes the sum of fair values of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. Other comprehensive income recognized on equity method held prior to the date of acquisition is accounted for on the same basis as where the relevant assets or liabilities are directly disposed of by the investee in disposal of such investment. Shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit appropriation is taken to profit or loss for the current period upon the disposal of such investment. In particular, those which remain as long-term equity investments upon disposal are carried forward in proportion, and those which are converted to financial instruments upon disposal are carried forward in full. Accumulated fair value change of equity investments held prior to the date of acquisition being taken to other comprehensive income as financial instrument is taken to retained earnings in full under cost method. For a long-term equity investment acquired by means other than business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price paid and those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the equity securities issued; for a long-term equity investment acquired by the swap of non-monetary assets, the initial investment cost is determined based on Accounting Standard for Business Enterprises No. 7 – Swap of Non-monetary Assets.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Long-term Equity Investments (continued)

For a long-term equity investment where the Company can exercise control over the investee, the Company uses the cost method in the Company's separate financial statements. Control refers to the power over an investee, and exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

Under the cost method, the long-term equity investment is measured at its initial investment cost. For addition or recovery of investments, the cost of long-term equity investments is adjusted accordingly. Cash dividend or profit declared to be distributed by an investee is recognized as profit or loss for the current period.

The equity method is adopted for a long-term equity investment when the Group holds joint control, or exercises significant influence on the investee. Joint control refers to the contractually-agreed shared control over an arrangement and related activities under such arrangement shall be decided on with the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee rather than to control or jointly control with other parties over the formulation of those policies.

Under the equity method, where the initial investment cost of a long-term equity investment is more than the share of the fair value of the investee's identifiable net assets when the investment is made, the cost is included in the initial investment cost of the long-term equity investment. Where the initial investment cost is less than the share of the fair value of the investee's identifiable net assets when the investment is made, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Long-term Equity Investments (continued)

Under the equity method, the Group recognizes its share in the net profit or loss and other comprehensive income made by the investee as investment income or losses and other comprehensive income after the acquisition of the long-term equity investment, and adjusts the book value of the long-term equity investment accordingly. When recognizing the Group's share in the net profit or loss of the investee, the Group recognizes the net profit of the investee after making appropriate adjustments based on the fair values of the identifiable assets of the investee when the investment is acquired and in accordance with the Group's accounting policies and periods, after eliminating the portion of the profits or losses, arising from internal transactions with its joint ventures and associates, attributable to the investor according to its share ratio (but losses arising from internal transactions that belong to impairment losses on assets should be recognized in full), save for business formed by assets invested or disposed. The book value of the long-term equity investment is reduced accordingly based on the Group's share of profit or cash dividends declared to be distributed by the investee. The Group's share in net loss of the investee is recognized to the extent that the book value of the long-term equity investment and other long-term equity substantively forming net investments of the investee are written down to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the book value of the long-term equity investment for other changes in shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit appropriation of the investee) and includes the corresponding adjustments in the shareholders' equity.

On disposal of the long-term equity investment, the difference between its book value and consideration actually received is recognized in profit or loss for the current period. For long-term equity investments under equity method, when the use of the equity method is discontinued because of disposal, other comprehensive income previously accounted for under the equity method shall be accounted for on the same basis as where the relevant assets or liabilities are disposed of directly by the investee. Shareholders' equity recognized as a result of changes in other shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) shall be taken in full to the profit or loss for the current period. If the equity method remains in use, other comprehensive income previously accounted for under the equity method shall be accounted for on the same basis as where the relevant assets or liabilities are disposed of directly by the investee and taken to the profit or loss for the current period in proportion. Shareholders' equity recognized as a result of changes in other shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) shall be taken to the profit or loss for the current period on a pro-rata basis.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Investment Property

(1) When adopting the model of fair value measurement

The basis to select fair value measurement

Investment property is any property held for rental earnings or capital appreciation or both. It includes buildings being leased out, buildings under construction to be leased out, etc.

An investment property is measured initially at cost. Expenditure subsequently incurred for such investment property is recognized in its cost if the economic benefits associated with such asset are probable to flow in and relevant costs can be measured reliably, otherwise, recognized in profit or loss for the current period in which they are incurred.

There exists an active property trading market at the place of the investment properties of the Group and the market price of and other information relating to identical or similar properties are available to the Group in the property trading market, which makes it possible to estimate the fair value of investment properties in a reasonable manner. As such, the Group subsequently measures investment properties by adopting the fair value model and adjusts its book value based on investment properties' fair value at balance sheet date with the difference between fair value and original book value recognized in profit or loss for the current period.

Where an investment property is sold, transferred, retired or damaged, the income from its disposal net of the book value and related taxes is recognized in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Fixed Assets

(1) Conditions for recognition

A fixed asset is recognized only when the economic benefits associated with the asset are probable to flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset when the above conditions for recognition are met, and the book value of the replaced part is derecognized; otherwise the expenditures are recognized in profit or loss in the current period in which they are incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset consists of the acquisition price, relevant taxes, and other directly attributable expenditure for bringing the asset to its working condition for its intended use.

(2) Method for depreciation

Category	Method for depreciation	Useful life of depreciation (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	40 years	5%	2.38%
Dedicated equipment	Straight-line method	10 years	5%	9.50%
Electronic equipment, appliances and furniture	Straight-line method	3-5 years	5%	19.00-31.67%
Transportation equipment	Straight-line method	5 years	5%	19.00%

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Fixed Assets (continued)

(2) Method for depreciation (continued)

If a fixed asset is upon disposal or no economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the book value and related taxes is recognized in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each year-end, and adjusts them when necessary.

21. Construction in Progress

Construction in progress is recognized at its actual costs. The actual costs include various necessary construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is transferred to a fixed asset when it is ready for intended use.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Borrowing Costs

Borrowing costs are interests and other related cost arising from Group's borrowing, including borrowing interests, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency lending etc.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized, and other borrowing costs are recognized in profit or loss for the current period. Qualifying assets are fixed assets, investment property and inventory that necessarily to be acquired, constructed or produced through a substantial period of time to get ready for its intended use or sale.

Borrowing costs may be capitalised only when:

- (1) Expenditures for such asset are incurred;
- (2) Borrowing costs are incurred;
- (3) The acquisition, construction or production activities which are necessary to prepare the asset for its intended use or sale have started.

Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Borrowing costs incurred subsequently are recognized in profit or loss for the current period.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Borrowing Costs (continued)

During the period of capitalisation, the amount of capitalised interests in each accounting period is determined by the following methods:

- (1) For dedicated borrowings, the amount of capitalised interests is the interest expenses actually incurred in the current period less the interest income earned on temporary deposits or investment income.
- (2) For general borrowings utilised, the amount of capitalised interests is the weighted average asset expenditures of the excess of accumulative asset expenditure over the dedicated borrowings multiplying the weighted average interest rate of the general borrowings utilised.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 consecutive months, other than those necessary to prepare the asset for its intended use or sale, the capitalization of the borrowing costs shall be suspended. Borrowing costs incurred during the interruption period are recognised as cost in profit or loss for the current period, until those acquisition and construction or production is resumed.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Right-of-use Assets

The Group's right-of-use assets mainly include buildings and constructions, machines and equipment.

On the commencement date of the lease term, the Group recognizes its right to use the leased asset during the lease period as right-of-use assets, including: the initial measured amount of lease liabilities; lease payments made at or before the commencement date of lease term less any incentives already received (if there is a lease incentive); the initial direct costs incurred by the lessee; an estimate of costs to be incurred by the lessee in dismantling and removing the lease assets, restoring the site on which they are located or restoring the leased assets to the condition required by the terms of the lease. The Group subsequently uses the straight line method to depreciate the right-of-use assets. If it is reasonable to determine the ownership of the leased asset can be obtained when the lease term expires, the Group will depreciate over the remaining useful life of the leased assets. If it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, the Group depreciates during the shorter period between the lease term and the remaining useful life of the lease assets.

When the Group re-measures lease liabilities according to the present value of the changed lease payment and adjusts the book value of the right-of-use asset accordingly, if the book value of the right-of-use asset has been reduced to zero while lease liabilities still needs to be further reduced, the Group accounts for the remaining amount in the current profit and loss.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Intangible Assets

(1) Measurement, useful life and impairment test

Intangible assets may be recognized and initially measured at cost only when economic benefits relating to it are likely to flow into the Group as well as its cost can be measured reliably. However, for intangible assets acquired from business combination involving enterprises not under common control, if their fair value can be measured reliably, they are recognized separately as intangible assets and measured at fair value.

The useful life of an intangible asset shall be determined based on the term in which it can generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable term in which it can generate economic benefits for the Group.

The useful life of each category of intangible assets is as follows:

	Useful life
Trademark use rights	30 years
Softwares	2-10 years
Others	3 years

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Intangible Assets (continued)

(2) Accounting policy on internal research and development expenditure

The Group's expenditures for its internal research and development projects are classified into expenditures on the research stage and expenditures on the development stage. Expenditures on the research stage are recognized in profit or loss for the current period when incurred. Expenditures on the development stage are to be capitalized if the Group can satisfy all of the following criteria simultaneously: the technical feasibility to complete the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset, and to use or sell it; how the intangible asset will generate economic benefits. Among other things, the Group can demonstrate that there is an existing market for products produced by the intangible asset or there is an existing market for the intangible asset itself, and the usage of it, if the intangible asset is to be used internally; the availability of adequate technical, financial and other resources to complete the development of the intangible asset and the ability to use or sell it; the ability to measure reliably the expenditure attributable to the intangible asset during its development stage. The development expenditures that do not meet the above conditions are recognized in profit or loss for the current period when incurred.

25. Impairment on Long-term Assets

The Group determines impairment of assets excluding inventory, contract assets, investment property measured at fair value model, deferred income taxes, financial assets by below method:

The Group determines whether there is any indication that assets have suffered impairment at balance sheet date. If an impairment indication exists, the recoverable amount is estimated and impairment test is carried out. The impairment test should be carried out for the goodwill arising from business combination and the intangible assets with indefinite useful life at least once at each year-end whether an impairment indication exists. As for intangible assets that have not been ready for intended use, an impairment test also should be carried out each year.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Impairment on Long-term Assets (continued)

The recoverable amount of an asset is the higher of the net of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. Recoverable amount is estimated on individual asset basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be determined. The asset group is determined according to whether the main cash inflows generated from the asset group are independent from cash inflows from other assets or asset group.

If such recoverable amount of an asset or asset group is less than its book value, book value is reduced to its recoverable amount, the reduction amount is recognized in profit or loss for the current period and a provision for impairment of such assets has been prepared.

For the purpose of impairment test of goodwill, the book value of goodwill arising from business combination is reasonably allocated to the related assets group since the purchasing date, those that are difficult to be allocated to the related assets group will be allocated to the related sets of assets groups. The related assets group or sets of assets groups are those expected to benefit from the synergies of the business combination and less than the reportable segment determined by the Group.

If there exists impairment indication for assets group or sets of assets groups related to goodwill when an impairment test is carried out for the related assets group or sets of assets groups including goodwill, an impairment test should be firstly carried out for assets group or sets of assets groups excluding goodwill to calculate the recoverable amount and recognize the corresponding impairment losses. An impairment test then should be carried out for assets group or sets of assets groups including goodwill, comparing its book value and the recoverable amount, if the recoverable amount is less than the book value, the impairment losses amount is deducted and amortized to the book value of the goodwill of assets group or sets of assets groups firstly and then deducted the book value of other assets on a pro rata basis according to the proportion of the book value of other assets of assets group or sets of assets groups excluding goodwill.

Once an impairment loss is recognized for above-mentioned assets, it will not be reversed in subsequent accounting period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Long-term Prepaid Expenses

Long-term prepaid expenses are amortized using the straight-line method, and their amortized periods are as follow:

	Amortized periods
Improvement of fixed assets rented	3-10 years
Others	3-5 years

27. Contract Liabilities

Recognition method of contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the fulfilment of performance obligations and customers' payments.

The Group presents the obligation to transfer goods to customers for the consideration received or receivable from customers as contract liabilities, such as payments received by the enterprise prior to the transfer of the promised goods.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Employee Remuneration

(1) Accounting treatment for short-term remuneration

Employee remuneration is all kinds of reward or compensation for service rendered by employees or the termination of employment given by the Group. Employee remuneration includes short-term remuneration, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Group to employees' spouses, children, dependents, families of the deceased employees and other beneficiaries also belong to employee remuneration.

Short-term remuneration

Actually occurred short-term remuneration is recognized as liabilities and charged to the profit or loss for the current period or to the costs of relevant assets in the accounting period during which employees provide services.

(2) Accounting treatment for post-employment benefits

Our employee participated in pension insurance and unemployment insurance managed by local government and corresponding expenses are recognized in costs of related assets or profit or loss for the current period when occurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Employee Remuneration (continued)

(3) Accounting treatment for termination benefits

When the Group provides termination benefits to employees, employee remuneration liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the current period at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

29. Lease Liabilities

On the commencement date of the lease term, the Group recognized the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and low-value asset leases. In calculating the present value of the lease payments, the Group uses the interest rate of the lease as the discount rate; if the interest rate of the lease cannot be determined, the lessee's incremental borrowing rate is used as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term based on the fixed periodic interest rate and recognises it in profit or loss for the current period, unless otherwise required to be included in relevant costs of assets. The variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss for the current period when incurred, unless otherwise required to be included in relevant costs of assets.

After the commencement date of the lease term, when the actual fixed payment amount changes, the expected amount of the guarantee residual value changes, the index or ratio used to determine the lease payment changes, or the assessment results or actual exercise of the purchase option, the renewal option or the termination option change, the Group re-measures the lease liability based on the present value of the changed lease payments.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Share-based Payment

Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment. Equity-settled share-based payment refers to transactions in which the Group uses shares or other equity instruments as consideration for obtaining services.

Where equity-settled share-based payments are exchanged for employees to provide services, they are measured at the fair value of the equity instruments granted to employees. If the right is exercised immediately after the grant, it is included in the relevant cost or expense at fair value on the grant date, and the capital reserve is increased accordingly; if the right can be exercised only after the service within the waiting period is completed, on every balance sheet date during the waiting period, the Group makes the best estimate of the number of exercisable equity instruments based on the latest information such as changes in the number of employees with the right, and based on which, the Group includes the services acquired in the current period into the relevant costs or expenses according to the fair value at the grant date, meanwhile capital reserve is increased accordingly. Fair value of equity instruments is determined using a binomial model.

During the period of meeting the service period conditions, the cost or expenses of equity-settled share-based payment shall be confirmed, and capital reserve shall be increased accordingly. Before the exercise date, the cumulative amount recognized for equity-settled share-based payment on each balance sheet date reflects the portion of the waiting period that has expired and the Group's best estimate of the number of equity instruments with final exercisable rights.

No cost or expense will be recognized for the share-based payment that ultimately fail to exercise due to failing to meet non-market conditions and/or service period conditions. If market conditions or non-exercisable rights conditions are stipulated in the share-based payment agreement, regardless of whether market conditions or non-exercisable rights conditions are met, as long as all other performance conditions and/or service period conditions are met, they are regarded as exercisable rights.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Revenue

(1) Accounting policies used in revenue recognition and measurement

Rental and related revenue

It refers to the revenue received by the Group from provision of booth leases and related services for tenants who signed up lease contracts to run business at its Owned or Leased Portfolio Shopping Malls and such rental and related revenue belong to operating leases. The revenue is determined according to the rental area, unit price, contractual term and so on stipulated in the relevant contracts or agreements and recognized on a straight-line basis during the lease term.

Revenue excluding rental and related revenue

The Group recognizes revenue when it performs the performance obligations in the contract, namely, when the customer obtains control over relevant goods or services. Control over the relevant goods and services refers to the ability to direct the use of goods or the provision of services and obtain substantially all of the economic benefits from them.

Revenue relating to Managed Shopping Malls

Revenue from the brand consulting and management service for the early stage of the project

It refers to the revenue received by the Group under the relevant contract or agreement, pursuant to which the Group is permitted by developers to use the brands that are intangible assets of its own, from the provision of consultation, tenant sourcing and other services to partners of or project companies under the Managed Shopping Malls. The revenue arising therefrom is recognized by the Group in the period that the consulting and management services are provided in accordance with the progress of performance.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Revenue (continued)

(1) Accounting policies used in revenue recognition and measurement (continued)

Revenue relating to Managed Shopping Malls (continued)

Revenue from annual brand consulting and management service for the project

After the opening of business of Managed Shopping Malls, the Group shall, on the terms and within the validity period of the contracts, permit the Managed Shopping Malls to continuously use the brands that are intangible assets of the Group, and continuously provide management services (covering layout, planning, tenant sourcing, leasing, business planning, advertising, operation and after-sales service, etc.) to the Managed Shopping Malls, while the Managed Shopping Malls may, within the validity period of the contracts, continuously use the brands that are intangible assets of the Group. Relevant management services are provided on an on-going basis within the validity period of the contracts. The revenue arising therefrom is recognized by the Group in the period that the management services are provided at the amount calculated and determined in accordance with charging methods agreed in the contract.

Revenue from tenant sourcing commissions

It refers to the revenue received by the Group arising from the provision of tenant sourcing and consultation services for Managed Shopping Malls. The revenue arising there from is recognized by the Group in the period that the tenant sourcing services are provided at the amount calculated and determined in accordance with charging methods agreed in the contract.

Revenue from commercial management and consultation fees for construction project

It refers to revenue received by the Group from the provision of management and consultation services of Red Star Macalline to builders, including shopping mall design, consultation on construction and decoration solution, coordination and supervision on the site of construction as well as control of project cost and progress. The amount thereof is determined by the Group in consultation with the builders in line with the specific conditions of the project. The revenue is recognized by the Group at the amount agreed in the contracts under the circumstance that relevant services have been provided, relevant Managed Shopping Malls have been completed and reached operational status, and relevant service confirmation issued by the builder is obtained.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Revenue (continued)

(1) Accounting policies used in revenue recognition and measurement (continued)

Revenue relating to Managed Shopping Malls (continued)

Revenue from commercial consultation fees

It refers to the revenue received by the Group from the provision of commercial consultation services in the stage of development planning for properties in operation other than Owned/Leased/JV/associate Portfolio Shopping Malls and Managed Shopping Malls. The revenue arising therefrom is recognized by the Group in the period that the commercial consultation services are provided at the amount calculated and determined in accordance with charging methods agreed in the contracts.

Revenue from construction and design service

As customers can control assets in progress during the Group's performance, the Group takes the construction contracts between it and customers as the performance obligations fulfilled within a certain period and recognizes relevant revenue according to performance schedule, except for it when relevant performance schedule cannot be reasonably determined. The Group determines the performance schedule of the service it provides in accordance with the input method and the costs occurred. Where the performance schedule cannot be reasonably determined and the costs incurred to the Group are expected to be recovered, the Group recognizes the revenue according to the amount of costs incurred until the performance schedule can be reasonably determined.

Revenue from home decoration related services and sales of merchandise

Revenue from home decoration refers to the revenue received by the Group from home design and decoration works provided by the Group. The revenue is recognized by the Group based on the performance schedule during the period of providing relevant services.

Revenue from sales of merchandise is the revenue which the Group's self-operated shopping malls obtained from sales of home decoration and furnishing products. Relevant revenue from sales of merchandise is recognized when the Group fulfilled the performance obligations under relevant contracts and customers obtained the right of control of relevant goods or services.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Revenue (continued)

(1) Accounting policies used in revenue recognition and measurement (continued)

Other revenues

Revenue from strategic consultation fees

It refers to the revenue received by the Group for the continuous provision of operational analysis, information consultation, brand rating and assessment consultation, tenant sourcing and matching and booth coordination and other services on the terms and within the validity period of the agreement entered into between the Group and home decoration companies and furniture manufacturers. The revenue is recognized by the Group at the amount agreed in the agreement according to the performance schedule within the validity period of the agreement.

Joint marketing revenue

It refers to the revenue received by the Group for the provision of business planning service, media production and other services during the joint marketing activities with brand manufacturers and tenants. The revenue is recognized when the Group fulfilled the performance obligations under the relevant contracts and customers obtained the right of control of relevant goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Contract Costs

The Group's assets related to contract costs include contract performance costs, and are presented in the inventories according to liquidity.

The incremental costs of obtaining a contract which are expected to be recovered shall be recognized as an asset as contract acquisition costs, except for it when the amortization period of such asset is no longer than one year.

The cost of the Group for the performance of the contract is recognized as an asset as contract performance cost, if it does not apply to the scope of the relevant standards of inventories, fixed assets or intangible assets and meets the following conditions:

- (1) Such cost directly relates to an existing or expected contract, including direct labour, direct materials, manufacturing expenses (or similar expenses) or other costs expressly to be borne by customers and incidental only to the contract;
- (2) Such cost increases the resources of the enterprise for future performance obligations;
- (3) Such cost is expected to be recovered.

The Group's assets related to contract costs are amortised on the same basis as those for the revenue recognition relating to such assets and included in profit or loss for the current period.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Government Grants

Government grant is recognized when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of non-monetary asset, it is measured at fair value; in the event that fair value is not reliably determinable, it is measured at a nominal amount.

Government grants for purchasing, building or forming long-term assets in other methods regulated in government documents are recognized as asset-related government grants. Judgments should be made based on the necessary basic conditions for obtaining the government grants when government documents are unclearly stated. Government grants with purchasing, building or forming long-term assets in other methods as basic conditions, are recognized as asset-related government grants, whereas the rest as income-related government grants.

Income-related government grants used to recover related costs or losses in the subsequent period are recognized as deferred income, and are taken into the current profit or loss or used to offset related costs of the period in which the related costs or losses are recognized; those used to recover related costs or losses incurred are directly recognized in the current profit or loss or used to offset related costs.

Asset-related government grants are used to offset the book value of related assets; or recognized as deferred income, and reasonably and systematically included in profit or loss within the useful life of the related assets (however, government grants measured at nominal amounts are directly recognized in profit or loss for the current period); if the related assets are sold, transferred, discarded as useless or damaged before the end of their useful life, the balance of the relevant deferred income that has not been allocated shall be carried into the profit or loss of the period when the assets are disposed of.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

34. Deferred Tax Assets/Deferred Tax Liabilities

Income tax comprises current and deferred income tax. Except that the adjusted goodwill arising from business combination, or the income tax relating to the transaction or item which is directly included in the shareholders' equity is included in the shareholders' equity, all income taxes shall be included in the profit or loss for the current period as income tax expenses or incomes.

The Group measures a current income tax asset or liability arising from the current and prior period based on the amount of income tax expected to be paid by the Group or returned by tax authority calculated by related tax laws.

The Group shall calculate the deferred income taxes at the temporary difference between the book value of the assets and liabilities on the balance sheet date and the tax base, and the temporary difference between the book value of the items that have not been recognized as the assets and liabilities but whose tax base may be determined according to the tax laws, and the tax base, using the balance sheet liability method.

A deferred tax liability is recognized at all taxable temporary differences, except:

- (1) Where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination; and at the time of the transaction, it affects neither accounting profit nor taxable income or deductible loss.
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

34. Deferred Tax Assets/Deferred Tax Liabilities (continued)

A deferred tax asset is recognized for deductible temporary differences, carry forward of deductible tax losses from subsequent years and tax credits, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, and deductible tax losses and tax credits can be utilized, except:

- (1) Where the deductible temporary differences arise from a transaction that is not a business combination and, at the time of the transaction, neither the accounting profit nor taxable income or deductible loss is affected.
- (2) In respect of the deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognized to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable income will be available against which the deductible temporary differences can be utilized in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects at the balance sheet date, to recover the assets or settle the liabilities.

The book value of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be recovered.

Where all of the following conditions are satisfied, deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting: With the legal rights of net settlement of current income tax assets and current income tax liabilities granted, and deferred tax assets and deferred tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax, but the relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, acquire assets or repay debt whenever every significant deferred tax assets and liabilities would be reversed in the future.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease

(1) Determination and accounting treatment of leases under the new lease standard

Identification of leases

On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If one party under the contract transfers one or more of the rights to control the use of identified assets for a certain period of time in exchange for consideration, the contract shall be considered as a lease or containing a lease. In order to determine whether the contract has transferred the right to control the use of the identified assets within a certain period of time, the Group assesses whether the customers in the contract are entitled to substantially all of the economic benefits arising from the use of the identified assets during the period of use and have the right to lead the use of identified assets during this period of use.

Identification of separate leases

Where the contract contains multiple separate leases, the Group will split the contract and separate the leases for accounting treatment. The right to use the identified asset constitutes a separate lease in the contract if the following conditions are met:

- (1) The lessee can profit from using the asset alone or in conjunction with other resources that are readily available;
- (2) The asset does not have a high degree of dependency or a high degree of association with other assets in the contract.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

Assessment of lease term

The lease term is the non-cancellable period during which the Group has the right to use the lease asset. The Group has the option to renew the lease, that is, it has the right to choose to renew the lease of the asset, and if it is reasonable to determine that the option will be exercised, the lease term also includes the period covered by an option to renew the lease. The Group has the option to terminate the lease, that is, it has the right to choose to terminate the lease of the asset, but if it is reasonable to determine that the option will not be exercised, the lease term includes the period covered by the termination of the lease option. In the event of a major event or change within the Group's controllable range, and affecting whether the Group reasonably determines that the corresponding option will be exercised, the Group reassesses whether it is reasonable to determine to exercise the option to renew the lease, purchase option or terminate the lease option.

As a lessee

For the general accounting treatment of the Group as a lessee, please refer to Note III.23 and Note III.29.

Lease modifications

The lease modifications refer to change of lease scope, lease consideration, and lease term outside the original contract terms, including the increase or termination of the use rights of one or more leased assets, and the extension or shortening of the lease term stipulated in the contract.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

As a lessee (continued)

Lease modifications (continued)

If the lease modifications have met the following conditions simultaneously, the Group will account for the lease modifications as a separate lease:

- (1) The lease modifications expand the scope of the lease by adding the rights of use of one or more leased assets;
- (2) The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group redetermines the lease term, and remeasures the lease liability by discounting the revised lease payments using a revised discount rate at the effective date of the lease modification. When calculating the present value of the lease payments after the modification, the discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be determined, or the Group's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be determined.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

As a lessee (continued)

Lease modifications (continued)

Regarding the impact of the above adjustment of lease liabilities, the Group distinguishes between the following circumstances for accounting treatment:

- (1) If the lease modifications result in a narrower lease scope or a shorter lease term, decreasing the book value of the right-of-use asset to reflect the partial or full termination of the lease. The lessee shall recognise any gain or loss relating to the partial or full termination of the lease in profit or loss for the current period;
- (2) Making a corresponding adjustment to the book value of right-of-use asset for all other lease modifications.

Short-term lease and low-value asset lease

The Group recognises the lease which has a term of no more than 12 months and does not include the purchase option on the commencement date of the lease term as a short-term lease; the lease with a value of no more than RMB40,000 when the single leased asset is a new asset is recognised as a low-value asset lease. If the Group subleases or expects to sublease the leased assets, the original lease is not recognised as a low-value asset lease. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. During each period of the lease term, the related asset costs or profit or loss for the current period are included by using the straight-line method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

As a lessor

At the commencement date of the lease, leases that substantially transfer almost all the risks and rewards related to the ownership of leased assets are classified as finance leases. Otherwise, all other leases are classified as operating leases. When the Group is an intermediate lessor, the sublease is classified as a finance lease or an operating lease by reference to the right-of-use assets arising from the original lease.

As a lessor under finance leases

At the commencement date of the lease, the Group recognises finance leases as finance lease receivables and derecognises the underlying assets. When the finance lease receivables are initially measured, the Group shall account for the net lease investment as the value of the finance lease receivables. Net investment in the lease is the sum of present value of unguaranteed residual value and the lease payments receivable at the commencement date of the lease, discounted at the interest rate implicit in the lease.

The Group calculates and recognises interest income in each period during the lease term, based on a constant periodic rate of interest. Variable lease payments received by the Group, and not included in the measurement of the net investment in the lease shall be included into profit or loss for the current period when actually incurred.

Where the Group is deemed as a lessor of a producer or dealer of finance leases, at the lease commencement date, the Group will recognize the lower of the fair value of the leased assets and the present value of lease payments discounted at market interest rate as the revenue, and carry forward the balance of the carrying amount of the leased assets after deduction of the present value of the unguaranteed residual value as the cost of sales. The costs incurred for obtaining the finance leases by the Group, will be included into profit or loss for the current period at the lease commencement date.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

As a lessor (continued)

As a lessor under finance leases (continued)

If the finance leases changes and meets the following conditions simultaneously, the Group will account for the change as a separate lease:

- (1) The modifications expand the scope of the lease by adding the rights of use of one or more leased assets;
- (2) The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

The Group does the following accounting treatments for the changes in finance leases that have not been accounted as a separate lease:

- (1) Where the changes of a lease come into effect on the lease commencement date, and this lease would be classified as an operating lease, the Group will account for the operating lease as a new lease from the effective date of the lease modifications. The carrying amount of the leased assets equals to the net investment in the lease before the effective date of the lease modifications;
- (2) Where the changes of a lease come into effect on the lease commencement date, and this lease would be classified as a finance lease, the Group will carry out the accounting treatments for the finance lease in accordance with the requirements relating to the modified or renegotiated contract in Note III.23.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Lease (continued)

(1) Determination and accounting treatment of leases under the new lease standard (continued)

As a lessor (continued)

As a lessor under operating leases

Rental income from operating leases is recognized in profit or loss for the current period on the straight-line basis in each period during the lease terms. A variable lease payment that is not included in lease receipt is included in profit or loss for the current period when it actually occurs.

In case of modification of an operating lease, the Group shall treat it as a new lease from the effective date of the modification, and the amount of the advance receipt or receivable related to the lease before the modification shall be regarded as the collection amount of the new lease.

36. Other Significant Accounting Policies and Accounting Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that will affect the reported amounts and disclosure of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that could lead to a material adjustment to the book value of the assets or liabilities to be affected in the future.

Judgments

In the process of applying the Group's accounting policies, the management has made the following judgments which have significant effect on the amounts recognized in the financial statements:

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Judgments (continued)

Operating lease — in the case of the lessor

The Group has entered into leasing contracts for its investment properties. The Group is of the opinion that, according to the terms of such leasing contracts, the Group has retained substantially all material risks and rewards of the ownership of these properties, and thus they are regarded as operating lease.

Determination of single performance obligation and allocation of transaction prices to each single performance obligation

The Group's brand consulting and management service for the project covers three service commitments: (1) brand consulting and management service for the early stage of the project; (2) annual brand consulting and management service for the project; (3) tenant sourcing commissions. Customers are able to obtain benefits from each of the three kinds of services separately or the joint use of the three kinds of services and other easily available resources, and the three service commitments can be separately distinguished from other service commitments, so each of the three service commitments mentioned above constitutes a single performance obligation.

On the commencement date of the contract, the Group allocates the transaction prices to the above three service commitments so that the transaction price allocated to the Group's single performance obligation can reflect the consideration amount that it is expected to receive due to the transfer of the service commitments to the customer. When the standalone selling price cannot be directly observed, the Group will comprehensively consider all relevant information that it can reasonably obtain, and reasonably estimate the standalone selling price by adopting the market adjustment method. Information considered includes market conditions, enterprise specific factors, and customer-related information.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Judgments (continued)

Method for determining the performance schedule of construction contracts

The Group determines the performance schedule of the brand consulting and management service and construction service contracts for the project in accordance with the input method. Specifically, the Group determines the performance schedule based on the percentage of cumulative actual costs in the estimated total costs. The cumulative actual costs include the direct and indirect costs incurred by the Group in transferring goods and services to customers. The Group believes that the price of the construction contract with the customer is determined on the basis of the construction cost, and the percentage of actual construction costs in the estimated total costs can truthfully reflect the performance schedule of the construction service. The brand consulting and management service and construction service contracts for the project may span several accounting periods. In particular, the Group thinks that the price of construction service with the customer is determined on the basis of the construction cost, and the percentage of actual construction costs in the estimated total costs can truthfully reflect the performance schedule of the construction service. The Group will review and revise the budget as the construction service contract advances and adjust revenue recognition accordingly.

Business model

The classification of financial assets at initial recognition depends on the business model of the Group's management of financial assets. In judging the business model, the Group takes into account the corporate evaluation and the ways to report the performance of financial assets to key management personnel, risks affecting the performance of financial assets and their management style, and the manner in which relevant business management personnel are paid. In assessing whether the business model aims at the collection of contractual cash flows, the Group needs to analyse and judge the reasons, timing, frequency and value of the sale of financial assets before the maturity date.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Judgments (continued)

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets. When it is necessary to judge whether the contractual cash flow is only for the payment of the principal and the interest based on the outstanding principal, including the assessment of the correction of the time value of money, it is necessary to judge whether there is a significant difference compared with the benchmark cash flow. For financial assets with advanced payment characteristics, it is necessary to judge whether the fair value of the advanced payment characteristics is insignificant.

Division of investment properties and fixed assets

The Group will exercise its discretion to classify investment properties and fixed assets. Investment property is any property held for rental earnings or capital appreciation or both. Fixed assets are mainly tangible assets that are held by the Group for use in the production or supply of goods or services, or for administrative purposes, and have useful lives of more than one accounting year. Therefore, in classifying investment properties and fixed assets, the Group will fully consider the management's intention, whether relevant lease agreements are concluded, and other factors.

Pending litigation

The Group judges the amount and possibility of the current obligations arising from the pending litigation of the Group based on the progress of the case trial and the judgment and opinions of the lawyer on the outcome of the case. If the performance of the current obligation is not likely to cause economic benefits to flow out of the enterprise, or the amount of the current obligation cannot be measured reliably, the Group will disclose as a contingent liability; if the performance of the current obligation is likely to cause economic benefits to flow out of the enterprise, and the amount of the current obligation can be measured reliably, the Group regards it as an estimated liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Judgments (continued)

Judgment of significant influence on invested company

Based on the criterion that whether it has the power to participate in decision-making on the financial and operating policies of the invested enterprise, but it cannot control or jointly control with other parties the formulation of these policies, the Group judges whether it has a significant impact on the invested enterprise. The Group recognizes equity investments that have a significant impact on the investee as long-term equity investments.

Hedging validity judgment

The Group believes that there is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in opposite directions due to the same hedged risk; among the changes in the value arising from the economic relationship between the hedged items and the hedging instrument, the impact of credit risk is not dominant; the hedge ratio of the hedging relationship is equal to the ratio of the actual number of hedged items to the actual number of hedging instruments that hedge it. The Group continuously evaluates the effectiveness of the hedging relationship in accordance with the hedging on and after the hedging start date.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may cause a material adjustment to the book value of assets and liabilities within the future accounting periods, are discussed below.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Estimation uncertainty (continued)

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgments and estimations, and all reasonable and evidenced information, including forward-looking information, should be considered. In making such judgments and estimations, the Group infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators, and industry risks. Different estimates may affect the provision for impairment allowance. The provision for impairment allowance may not be equal to the actual amount of future impairment losses.

Fair value of unlisted equity investments

The valuation of unlisted equity investments is the estimated future cash flows discounted on the basis of the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates, so the valuation of unlisted equity investments is uncertain.

Investment property fair value measurement

The Group adopts the fair value model with changes in fair value recognized in profit or loss for the current period for conducting follow-up measurement of its investment properties. The assessment of the fair value of investment properties requires the management to make reasonable estimates of such parameters as rental growth rate, rate of return during the lease term, rate of return beyond the lease term, and vacancy rate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Estimation uncertainty (continued)

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Other non-current assets other than financial assets would be tested for impairment when there are indicators that the carrying amount may not be recoverable. Impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less disposal costs and the present value of estimated future cash flows. The calculation of the fair value less disposal costs is based on the price of sales agreement from transactions in an arm's length of similar assets or observable market prices less incremental costs directly attributable to the disposal of the asset. When present value of future cash flows calculations are undertaken, the management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group carries out tests for impairment of goodwill on an annual basis, which entails estimation of the present value of future cash flows of the asset groups or asset portfolios to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flows generated from the future asset groups or asset portfolios, and select the appropriate discount rate to determine the present value of future cash flows.

Deferred tax assets

Deferred tax assets shall be recognised for all deductible losses not used to the extent that there is likely sufficient taxable income available for deduction of deductible losses. It requires the management to determine the value of the deferred tax assets to be recognized, by using adequate discretion to estimate the time and amount of taxable income to be obtained in the future in combination with tax planning strategies.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Other Significant Accounting Policies and Accounting Estimates (continued)

Estimation uncertainty (continued)

Lessee's incremental borrowing rate

For leases where the interest rate within the lease cannot be determined, the Group adopts the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. When determining the incremental borrowing rate, the observable interest rate is used as reference basis according to the economic environment in which it operates. Based on this, the reference interest rate is adjusted to get applicable incremental borrowing rate according to its own situation, the underlying asset situation, lease term, the amount of the lease liability and other specific conditions of leasing business.

VI. TAXATION

1. Major Categories of Tax and Tax Rate

Major categories of taxes and tax rates

Category	Tax basis	Tax rate
Value-added tax (VAT)	Revenue from sales of goods	13%
VAT	Taxable service revenue	6%
VAT	Sales amount of the small-scale taxpayers calculated as relevant tax rules	1%
VAT	Income from site-leasing businesses and management services	5%, 10% and 9%
VAT	Revenue from construction contracts	3%, 10% and 9%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Actually paid VAT and business tax	For city urban area tax rate is 7%; for counties and towns, tax rate is 5%; for other, tax rate is 1%
Enterprise income tax	Taxable income	25% (except for the companies subject to tax preference)
Property tax	For properties subject to price-based taxation, tax should be paid based on the residual value of the property approved by the tax authorities	1.2%
Property tax	For properties subject to taxation based on rental income, tax should be paid based on the rental income	12%
Land use tax	Paid as actual tax rate	
Stamp duty	Paid as actual tax rate	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VI. TAXATION (continued)

1. Major Categories of Tax and Tax Rate (continued)

Taxpayers subject to different enterprise income tax rate are disclosed as follows:

Name of taxpayer	Income tax rate (%)
Chengdu Red Star Macalline Xinnan Business Management Company Limited (成都紅星美凱龍新南商業管理有限公司)	15%
Chongqing Liangjiang New Area Red Star Macalline Business Management Co., Ltd. (重慶兩江新區紅星美凱龍商業管理有限公司)	15%
Chengdu Red Star Ogloria Brand Management Company Limited (成都紅星歐麗洛雅品牌管理有限公司)	15%
Red Star Macalline Chengdu Business Management Company Limited (紅星美凱龍成都商業管理有限公司)	15%
Red Star Macalline Chengdu Enterprise Management Consulting Company Limited (紅星美凱龍成都企業管理諮詢有限公司)	15%
Red Star Xizhao Investment Company Limited (紅星喜兆投資有限公司)	15%
Red Star Macalline Home Furnishing Mall Management Company Limited (紅星美凱龍家居商場管理有限公司)	15%
Red Star Zhongying Investment Company Limited (紅星眾盈投資有限公司)	15%
Tibet Red Star Macalline Enterprise Management Company Limited (西藏紅星美凱龍企業管理有限公司)	15%
Shanghai Red Star Macalline Building Design Company Limited (上海紅星美凱龍建築設計有限公司)	15%
Red Star Macalline Enterprise Management and Consultancy Company Limited (紅星美凱龍企業管理諮詢有限公司)	0%
Red Star Ogloria Enterprise Management Company Limited (紅星歐麗洛雅企業管理有限公司)	0%
Khorgos Red Star Macalline Business Management Company Limited (霍爾果斯紅星美凱龍商業管理有限公司)	0%
Red Star Macalline Shibo Business Management Co., Ltd. (紅星美凱龍世博商業管理有限公司)	0%

VI. TAXATION (continued)

2. Tax Preference

Pursuant to Cai Shui [2011] No. 58 Notice on the Taxation Policies for Deepening the Implementation of the Western Development Strategy 《關於深入實施西部大開發戰略有關稅收政策問題的通知》 and Announcement of Taxation on Issues concerning Enterprise Income Tax in Deepening the Implementation of the Western Development Strategy 《關於深入實施西部大開發戰略有關企業所得稅問題的公告》 (SAT [2012] No. 12), Chengdu Red Star Macalline Xinnan Business Management Company Limited (成都紅星美凱龍新南商業管理有限公司), Chongqing Liangjiang New Area Red Star Macalline Business Management Co., Ltd. (重慶兩江新區紅星美凱龍商業管理有限公司), Chengdu Red Star Ogloria Brand Management Company Limited, Red Star Macalline Chengdu Business Management Company Limited, and Red Star Macalline Chengdu Enterprise Management Consulting Company Limited under the Company are entitled to the enterprise income tax preference policy, and the above companies, were subject to a tax rate of 15% for the year upon approval by competent tax authorities as they met relevant conditions.

Red Star Xizhao Investment Company Limited, Red Star Macalline Home Furnishing Mall Management Company Limited, Red Star Zhongying Investment Company Limited (紅星眾盈投資有限公司) and Tibet Red Star Macalline Business Management Company Limited (西藏紅星美凱龍企業管理有限公司) under the Company are entitled to enterprise income tax preference policy and are subject to a tax rate of 15% for the year pursuant to Zangzhengfa [2014] No. 51 Notice Issued by the People's Government of the Tibet Autonomous Region Regarding the Publication of Implementation Rules of Enterprise Income Tax Policy of the Tibet Autonomous Region 《西藏自治區人民政府關於印發〈西藏自治區企業所得稅政策實施辦法〉的通知》.

On December 2019, Shanghai Red Star Macalline Building Design Company Limited (上海紅星美凱龍建築設計有限公司) under the Company obtained the Certificate for Hi-tech Enterprise, whose certificate number was GR201931003212 with a validity of three years, and was subject to a tax rate of 15% for the year.

Red Star Macalline Enterprise Management and Consultancy Company Limited (紅星美凱龍企業管理諮詢有限公司), Red Star Ogloria Enterprise Management Company Limited (紅星歐麗洛雅企業管理有限公司), Khorgos Red Star Macalline Business Management Company Limited (霍爾果斯紅星美凱龍商業管理有限公司) and Red Star Macalline Shibo Business Management Co., Ltd. (紅星美凱龍世博商業管理有限公司) under the Company are temporarily exempted from enterprise income tax for the year pursuant to the Cai Shui [2011] No. 112 Notice on Enterprise Income Tax Preferential Policy in the Kashi and Khorgos Special Economic Development Zones in Xinjiang 《關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知》 and Cai Shui [2016] No. 85 Notice on Improving Xinjiang Depressed Region and Encouraged Development Industries Enterprise Income Tax Incentives Directory 《關於完善新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄的通知》.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Bank Balances

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand	4,685,521.65	8,615,723.97
Bank deposits	4,442,825,434.11	5,918,419,429.26
Other cash and bank balance	2,157,025,154.96	584,057,044.86
Total	6,604,536,110.72	6,511,092,198.09
Including: Total amount of deposits abroad	32,904,089.03	42,686,514.22

Others:

As at 30 June 2021, in the Group's other cash and bank balances, RMB1,899,121,108.28 of certificates of deposit was used as deposits for borrowings (31 December 2020: RMB320,515,556.83 was used as deposits for borrowing); RMB31,032,712.10 (31 December 2020: RMB30,343,913.91) was frozen; RMB114,932,987.59 (31 December 2020: RMB119,156,554.03) was deposit reserve placed with the People's Bank of China; RMB28,151,646.46 (31 December 2020: RMB20,273,548.18) was deposited investment fund placed with securities accounts; and RMB83,786,700.53 (31 December 2020: RMB93,767,471.91) was deposits.

As at 30 June 2021, the Group's cash and bank balances deposited overseas was RMB32,904,089.03 (31 December 2020: RMB42,686,514.22).

As at 30 June 2021, in the Group's RMB bank deposits, time deposits with maturity of more than three months amounted to RMB33,000,000.00 (31 December 2020: RMB25,973,243.42).

Interest income earned on the Bank's current deposits is calculated by using its current deposit interest rate. The deposit periods for time deposits vary from 7 days to 60 months depending on the cash requirements of the Group and the Group earned interest income according to the respective time deposit rates of the Bank.

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Cash and Bank Balances (continued)

When preparing the cash flow statement, the aforesaid restricted other cash and bank balances and time deposits with maturity of more than three months were excluded from cash and cash equivalents.

2. Financial Assets Held for Trading

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	713,790,476.43	247,611,072.73
Including:		
Equity instrument investments	24,886,182.75	175,575,264.98
Debt instrument investments	688,904,293.68	72,035,807.75
Total	713,790,476.43	247,611,072.73

3. Derivative Financial Assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Hedging instrument	398,953.74	2,160,732.11
Total	398,953.74	2,160,732.11

Others:

Explanation of the hedging instrument, please refer to the disclosure of "Financial Reports V.67. Hedging".

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	1,562,961,068.23
1 to 2 years	524,172,621.22
2 to 3 years	293,118,334.53
Over 3 years	1,115,176,171.97
Less: Allowance for bad debts in relation to accounts receivable	(1,263,578,433.83)
Total	2,231,849,762.12

(2) Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt allowance		Book value	Book balance		Bad debt allowance		Book value
	Amount	Percentage (%)	Amount	Proportion (%)		Amount	Percentage (%)	Amount	Proportion (%)	
Accounts receivable for which bad debt allowance is provided individually	802,355,062.53	22.95	797,605,062.53	99.41	4,750,000.00	814,054,233.01	26.30	794,579,233.01	97.61	19,475,000.00
Accounts receivable for which bad debt allowance is provided collectively	2,693,073,133.42	77.05	465,973,371.30	17.30	2,227,099,762.12	2,281,598,862.50	73.70	366,247,749.07	16.05	1,915,351,113.43
Total	3,495,428,195.95	/	1,263,578,433.83	/	2,231,849,762.12	3,095,653,095.51	/	1,160,826,982.08	/	1,934,826,113.43

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

Accounts receivable for which bad debt allowance is provided individually:

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reason for provision
		Bad debt allowance	Proportion (%)	
Changzhou Wujin Construction Engineering Co., Ltd. (常州市武進建設工程有限公司)	55,000,000.00	55,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Jiangsu Provincial Construction Group Co., Ltd. (江蘇省建築工程集團有限公司)	31,000,000.00	31,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Beijing Haiyu Apartment Management Co., Ltd. (北京海寓公寓管理有限公司)	28,089,136.34	28,089,136.34	100.00	Accounts receivable are expected to be unrecoverable
Guangxi Shengli Decoration Engineering Co. Ltd. (廣西晟力裝飾工程有限公司)	24,000,000.00	24,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Shenzhen Tianyi Hengye Investment Development Co., Ltd. (深圳市天意恒業投資發展有限公司)	23,600,000.00	23,600,000.00	100.00	Accounts receivable are expected to be unrecoverable
Others	640,665,926.19	635,915,926.19	99.26	
Total	802,355,062.53	797,605,062.53	99.41	/

Explanation of accounts receivable for which bad debt allowance is provided individually:

For details, please refer to "Financial Reports III.10. Financial Instrument"

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

As at the end of the Reporting Period, the aging analysis of accounts receivable based on the contract date is as follows:

Accounts receivable for which bad debt allowance is provided collectively:

Items of provision on group basis: The brand consulting and management service for the early stage of the project

Unit: Yuan Currency: RMB

Name	Closing balance		Proportion (%)
	Accounts Receivable	Bad debt allowance	
Within 1 year	234,200,000.00	27,682,440.00	11.82
1 to 2 years	165,877,249.29	27,351,590.59	16.49
2 to 3 years	212,832,291.67	50,547,669.27	23.75
3 to 4 years	247,466,666.67	75,254,613.33	30.41
4 to 5 years	99,290,000.00	39,011,041.00	39.29
5 to 6 years	49,500,000.00	29,902,950.00	60.41
Over 6 years	41,750,000.00	41,750,000.00	100.00
Total	1,050,916,207.63	291,500,304.19	27.74

Recognition standard and description of provision for bad debts made on a group basis:

For details, please refer to "Financial Reports III.10. Financial Instrument"

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

Items of provision on group basis: Construction and design services

Unit: Yuan Currency: RMB

Name	Accounts Receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	925,252,869.64	43,949,511.31	4.75
1 to 2 years	124,073,587.95	11,166,622.92	9.00
2 to 3 years	3,555,807.32	533,371.10	15.00
Total	1,052,882,264.91	55,649,505.33	5.29

Recognition standard and description of provision for bad debts made on a group basis:

For details, please refer to “Financial Reports III.10. Financial Instrument”

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

Items of provision on group basis: Other consulting services

Unit: Yuan Currency: RMB

Name	Accounts Receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	157,610,266.50	28,038,866.41	17.79
1 to 2 years	76,625,653.07	24,405,270.50	31.85
2 to 3 years	27,517,715.73	14,727,481.46	53.52
Over 3 years	38,652,876.71	38,652,876.71	100.00
Total	300,406,512.01	105,824,495.08	35.23

Recognition standard and description of provision for bad debts made on a group basis:

For details, please refer to "Financial Reports III.10. Financial Instrument"

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

Items of provision on group basis: Rental and related income

Unit: Yuan Currency: RMB

Name	Accounts Receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	80,403,405.40	3,618,153.24	4.50
Over 1 year	26,795,285.71	1,205,787.86	4.50
Total	107,198,691.11	4,823,941.10	4.50

Recognition standard and description of provision for bad debts made on a group basis:

For details, please refer to "Financial Reports III.10. Financial Instrument"

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(2) Classified disclosure by the method of bad debt provision (continued)

Items of provision on group basis: Others

Unit: Yuan Currency: RMB

Name	Accounts Receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	138,287,861.76	6,222,953.78	4.50
1 to 2 years	27,059,204.62	1,217,664.21	4.50
2 to 3 years	12,962,083.19	583,293.74	4.50
Over 3 years	3,360,308.19	151,213.87	4.50
Total	181,669,457.76	8,175,125.60	4.50

Recognition standard and description of provision for bad debts made on a group basis:

For details, please refer to "Financial Reports III.10. Financial Instrument"

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(3) Bad debt allowance status

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease during the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other changes	
Accounts Receivable	1,160,826,982.08	118,927,199.41	6,340,404.72	9,835,342.94	-	1,263,578,433.83
Total	1,160,826,982.08	118,927,199.41	6,340,404.72	9,835,342.94	-	1,263,578,433.83

(4) The situation of the write-off of accounts receivable for the period

Unit: Yuan Currency: RMB

Items	Amount write-off
Actual write-off of accounts receivable	9,835,342.94

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts Receivable (continued)

(5) Accounts receivable with top five closing balances collected as per the borrowers

	Closing balance	Proportion to total balance of accounts receivable (%)	Closing balance of bad debt allowance
Shenyang Huizhi Shenghui Real Estate Co., Ltd. (瀋陽匯置盛匯置業有限公司)	96,000,000.00	2.75	4,560,000.00
Shenyang Hongxing Real Estate Co., Ltd. (瀋陽紅興置業有限公司)	74,248,910.37	2.12	3,526,823.24
Changzhou Wujin Construction Engineering Co., Ltd. (常州市武進建設工程有限公司)	55,000,000.00	1.57	55,000,000.00
Zhengzhou Huashanghui Real Estate Development Co., Ltd. (鄭州華商匯房地產開發有限公司)	46,000,000.00	1.32	2,185,000.00
Guangdong New Power Energy Co., Ltd. (廣東新動力能源有限公司)	43,220,932.65	1.24	2,052,994.30

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Receivables financing

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Commercial acceptance bill	47,044,128.05	–
Bank acceptance bill	16,600,000.00	5,872,800.00
Total	63,644,128.05	5,872,800.00

Others:

The notes receivable that have been endorsed or discounted but have not yet expired on the balance sheet date were RMB58,394,128.05 (2020: RMB31,500,000.00).

6. Prepayments

(1) Presentation of prepayments by aging

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	327,584,169.42	82.43	287,698,948.69	88.90
1 to 2 years	46,389,861.22	11.67	22,432,541.88	6.93
2 to 3 years	14,582,044.43	3.67	9,850,680.60	3.04
Over 3 years	8,875,734.11	2.23	3,644,169.45	1.13
Total	397,431,809.18	100.00	323,626,340.62	100.00

As at the end of the period, none of the Group's significant prepayments aged more than one year.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Prepayments (continued)

(2) Top five prepayments by closing balance collection of prepaid targets

	Closing balance	Percentage to the total amount of prepayments (%)
Space Yijia (Shanghai) Decoration Engineering Co., Ltd. (空間易家(上海)裝飾工程有限公司)	11,470,874.03	2.89
IPES.R.L	9,358,905.52	2.35
Maanshan Huikai Labor Service Co., Ltd. (馬鞍山市慧凱勞務有限公司)	8,000,000.00	2.01
Jiangsu Sanyong Construction Labor Service Co., Ltd. (江蘇三永建築勞務有限公司)	5,486,604.99	1.38
Shanghai Shendiao Construction Service Co., Ltd. (上海深雕建築勞務有限公司)	5,450,000.00	1.37
Total	39,766,384.54	10.00

7. Other Receivables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests receivable	67,213,650.83	44,648,521.46
Dividends receivable	31,000,000.00	31,000,000.00
Other Receivables	2,261,695,913.74	1,449,006,221.82
Total	2,359,909,564.57	1,524,654,743.28

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other Receivables (continued)

Interests receivable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests receivable	67,213,650.83	44,648,521.46
Total	67,213,650.83	44,648,521.46

Dividends receivable

Unit: Yuan Currency: RMB

Items (or investee)	Closing balance	Opening balance
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	31,000,000.00	31,000,000.00
Total	31,000,000.00	31,000,000.00

Other receivables

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	2,057,308,966.39
1 to 2 years	79,641,910.08
2 to 3 years	151,553,444.49
Over 3 years	271,435,688.76
Less: Bad debt allowance for other receivables	(298,244,095.98)
Total	2,261,695,913.74

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other Receivables (continued)

Other receivables (continued)

(2) Classification by nature of the amount

Unit: Yuan Currency: RMB

Nature of the amount	Closing book balance	Opening book balance
Loan and advances	1,570,198,243.37	871,981,239.12
Sales proceeds collected and paid on behalf of the tenants	470,513,912.19	395,455,585.15
Deposits	114,304,157.50	107,860,274.61
Others	106,679,600.68	73,709,122.94
Total	2,261,695,913.74	1,449,006,221.82

(3) Provision for bad debts

Unit: Yuan Currency: RMB

Bad debt allowance	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Lifetime expected credit losses (without credit impairment)	Lifetime expected credit losses (with credit impairment)	
Balance on 1 January 2021	118,845,867.20	-	169,678,471.03	288,524,338.23
- Transfer to stage 3	(24,260,000.00)	-	24,260,000.00	-
Provision during the period	21,321,400.11	-	-	21,321,400.11
Write-off during the period	(65,137.21)	-	(11,536,505.15)	(11,601,642.36)
Balance on 30 June 2021	115,842,130.10	-	182,401,965.88	298,244,095.98

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other Receivables (continued)

Other receivables (continued)

(4) Provision for bad debts

Unit: Yuan Currency: RMB

Opening balance	Provision	Increase/decrease during the period		Other changes	Closing balance
		Recovery or reversal	Write-off or cancellation		
288,524,338.23	21,321,400.11	–	11,601,642.36	–	298,244,095.98
288,524,338.23	21,321,400.11	–	11,601,642.36	–	298,244,095.98

(5) The situation of the write-off of other receivables for the period

Unit: Yuan Currency: RMB

Items	Amount write-off
Actual write-off of other receivables	11,601,642.36

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other Receivables (continued)

Other receivables (continued)

(6) Other receivable with top five closing balances collected as per the borrowers

Unit: Yuan Currency: RMB

Name of entity	Nature of the amount	Closing balance	Aging	Proportion to total closing balance of other receivable (%)	Closing balance of bad debt allowance
Beijing Yuanhong Enterprise Management Consultancy Co., Ltd. (北京遠紅企業管理諮詢有限公司)	Loan and advances	1,028,265,147.54	Within 1 year	40.17	-
Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	Loan and advances	154,200,000.50	Over 5 years	6.02	7,710,000.03
Anhui Tenghui Investment Group Co., Ltd. (安徽騰輝投資集團有限公司)	Loan and advances	70,000,000.00	Within 1 year	2.73	-
Baoxiang Red Star Macalline (Xiamen) Global Home Plaza Co., Ltd. (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Loan and advances	42,917,895.90	1 to 2 years	1.68	11,695,442.05
Liu Peng (劉鵬)	Loan and advances	41,000,000.00	Over 5 years	1.60	41,000,000.00
Total	/	1,336,383,043.94	/	52.20	60,405,442.08

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Inventories

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment s/provision for contract performance cost impairment	Book value	Book balance	Provision for inventory impairment s/provision for contract performance cost impairment	Book value
Commodities in inventory	284,703,488.92	-	284,703,488.92	273,469,402.96	-	273,469,402.96
Low-value consumables	70,046,337.37	-	70,046,337.37	54,826,265.06	-	54,826,265.06
Total	354,749,826.29	-	354,749,826.29	328,295,668.02	-	328,295,668.02

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Contract Assets

(1) Contract assets status

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment allowance	Book value	Book balance	Impairment allowance	Book value
Construction and design	1,063,277,254.27	5,705,242.37	1,057,572,011.90	953,234,676.14	5,431,765.55	947,802,910.59
The brand consulting and management service for the early stage of the project	788,195,748.62	279,154,753.56	509,040,995.06	699,327,038.00	271,765,847.11	427,561,190.89
Total	1,851,473,002.89	284,859,995.93	1,566,613,006.96	1,652,561,714.14	277,197,612.66	1,375,364,101.48

(2) The amount and reason for the significant change in the book value during the period:

Unit: Yuan Currency: RMB

Items	Change amount	Change reason
Construction and design	109,769,101.31	New projects and the further progress of original projects
The brand consulting and management service for the early stage of the project	81,479,804.17	New projects and the further progress of original projects
Total	191,248,905.48	/

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Contract Assets (continued)

(3) Provision for impairment of contract assets in the period

Unit: Yuan Currency: RMB

Provision during the period	Reversal during the period	Cancellation/write off during the period	Reason
7,662,383.27	–	–	Project status changes during the period
7,662,383.27	–	–	/

	Book balance of expected credit losses	Expected credit loss rate (%)	Lifetime expected credit loss
Construction and design	1,063,277,254.27	0.54	5,705,242.37
The brand consulting and management service for the early stage of the project	788,195,748.62	35.42	279,154,753.56
	1,851,473,002.89	15.39	284,859,995.93

10. Non-current Assets Due within One Year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Entrusted loans and lending due within one year	502,504,386.17	235,375,000.00
Financial lease receivables due within one year	15,472,603.77	15,841,543.42
Less: Impairment allowance for non-current assets due within one year	(5,179,769.90)	(2,512,165.43)
Total	512,797,220.04	248,704,377.99

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Non-current Assets Due within One Year (continued)

Significant debt investments and other debt investments at the end of the period:

Unit: Yuan Currency: RMB

Items	Par value	Closing balance			Par value	Opening balance		
		Coupon rate	Effective interest rate	Expiration date		Coupon rate	Effective interest rate	Expiration date
Shanxi Chongkang Real Estate Development Co., Ltd. (山西崇康房地產開發有限公司)	263,712,163.95	9.00%	9.00%	2022/3/1	-	-	-	-
Hancheng Xinding Real Estate Development Co., Ltd. (韓城市鑫鼎房地產開發有限責任公司)	80,000,000.00	9.00%	9.00%	2022/3/1	90,000,000.00	9.00%	9.00%	2021/5/1
Anhui Tenghui Investment Group Co., Ltd. (安徽騰輝投資集團有限公司)	65,000,000.00	6.00%	6.00%	Overdue	65,000,000.00	6.00%	6.00%	Overdue
Henan Zhongheng Construction Development Co., Ltd. (河南中亨建設開發有限公司)	47,550,000.00	5.23%	5.23%	Overdue	47,550,000.00	5.23%	5.23%	Overdue
Oppein Home Group Inc. (歐派家居集團股份有限公司)	20,072,222.22	10.00%	10.00%	2021/12/1	-	-	-	-
Total	476,334,386.17	/	/	/	202,550,000.00	/	/	/

Others:

Note 1: As of June 30 2021, the entrusted loan principal RMB65,000,000.00 of the Group to Anhui Tenghui Investment Group Co., Ltd. (安徽騰輝投資集團有限公司) (hereinafter referred to as "Anhui Tenghui") has expired. The entrusted loan was pledged with 30% of Anhui Tenghui's shares. The Group has signed the "Commercial Housing Trading Framework Agreement" with Suzhou Huitong Shengzhou Real Estate Co., Ltd. (宿州市盛通置業有限公司), a subsidiary of Anhui Tenghui, the Group intended to collect the debt by using the debt to offset the purchase consideration of the property, so the management of the Group believes that the entrusted loan is expected to be recovered.

Note 2: As of June 30 2021, the Group's entrusted loan of RMB47,550,000.00 to Henan Zhongheng Construction Development Co., Ltd. (河南中亨建設開發有限公司) (hereinafter referred to as "Henan Zhongheng") was expired. The entrusted loan was a result of the entrusted loan contract signed between the Group and Henan Zhongheng in November 2018. The loan maturity date is 24 August 2020, and the land of Henan Derun Real Estate Company Limited (河南德潤置業有限公司) (hereinafter referred to as "Henan Derun") is used as collateral. The management believes that there is no special impairment risk for this loan.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Other Current Assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Tax prepaid (Note 1)	1,135,291,457.09	967,502,970.87
Factoring receivables	37,047,500.00	181,117,083.33
Financial lease receivables	7,806,516.50	1,028,387.00
Entrusted loan and lending	1,323,759,277.96	1,589,735,767.27
Less: Bad debt allowance for other non-current assets	(120,529,732.42)	(104,808,937.10)
Total	2,383,375,019.13	2,634,575,271.37

Others:

Note 1: The Group's tax prepaid is mainly VAT to be deducted, which is expected to be deductible within the next year.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Long-term Receivables

(1) Long-term receivables status

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Range of discount rate
	Book balance	Bad debt allowance	Book value	Book balance	Bad debt allowance	Book value	
Finance lease payment	4,039,173.08	(40,391.73)	3,998,781.35	12,294,527.69	(122,945.27)	12,171,582.42	/
Deposits	175,260,000.00	(175,260.00)	175,084,740.00	215,110,000.00	(215,110.00)	214,894,890.00	/
Project loan	209,387,232.85	(2,093,872.34)	207,293,360.51	229,949,719.40	(10,219,497.19)	219,730,222.21	/
Lease deposit	65,968,410.26	(65,968.42)	65,902,441.84	85,787,990.26	(85,788.00)	85,702,202.26	/
Total	454,654,816.19	(2,375,492.49)	452,279,323.70	543,142,237.35	(10,643,340.46)	532,498,896.89	/

(2) Provision for bad debts

Unit: Yuan Currency: RMB

Bad debt allowance	Stage 1 Expected credit losses in the next 12 months	Stage 2 Lifetime expected credit losses (without credit impairment)	Stage 3 Lifetime expected credit losses (with credit impairment)	Total
Balance on 1 January 2021	1,541,335.46	1,102,005.00	8,000,000.00	10,643,340.46
Provision during the period	283,089.66	-	-	283,089.66
Reversal during the period	(236,947.39)	(313,990.24)	-	(550,937.63)
Write-off during the period	-	-	(8,000,000.00)	(8,000,000.00)
Balance on 30 June 2021	1,587,477.73	788,014.76	-	2,375,492.49

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Long-term Equity Investments

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period			Cash dividend or profit declared	Provision made for impairment allowance	Others	Closing balance	Closing balance of impairment allowance
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity					
I. Joint ventures											
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	808,261,211.75	-	-	10,996,696.97	-	-	-	-	-	819,257,908.72	-
Shanghai CTME Economy & Trade Development Co., Ltd. (上海中實美凱龍經貿發展有限公司)	98,368,060.93	-	-	1,914,015.91	-	-	(2,000,000.00)	-	-	98,282,076.84	-
Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	64,873,166.27	-	-	14,436,143.57	-	-	-	-	-	79,309,309.84	-
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	-	37,920,000.00	-	1,449,269.97	-	-	-	-	-	39,369,269.97	-
Wuhu Red Star Macalline Equity Investment Fund Management Company Limited (蕪湖紅星美凱龍股權投資基金管理有限公司)	11,013,309.88	-	-	-	-	-	-	-	-	11,013,309.88	-
Baoxiang Red Star Macalline (Xiamen) Global Home Plaza Co., Ltd. (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	9,399,204.16	-	-	(7,214,769.02)	-	-	-	-	-	2,184,435.14	-
SleepMaker (Hong Kong) Company Limited	5,129,850.55	-	(5,129,850.55)	-	-	-	-	-	-	-	-
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	546,496.83	-	-	(248,818.38)	-	-	-	-	-	297,678.45	-
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	3,111,638.02	-	-	(1,450,794.41)	-	-	-	-	-	1,660,843.61	-
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd. (廣州紅星美凱龍世博家居廣場有限公司)	8,087,286.69	3,000,000.00	-	(1,168,948.48)	-	-	-	-	-	9,918,338.21	-
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	-	-	-	-	-	-	-	-	-	-	-
Sub-total	1,008,790,225.08	40,920,000.00	(5,129,850.55)	18,712,796.13	-	-	(2,000,000.00)	-	-	1,061,293,170.66	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Long-term Equity Investments (continued)

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period			Cash dividend or profit declared	Provision made for impairment allowance	Others	Closing balance	Closing balance of impairment allowance
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity					
II. Associates											
Haier Consume Financing Company Limited (海爾消費金融有限公司)	389,616,197.62	-	-	17,150,013.50	-	-	-	-	-	406,766,211.12	-
Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	379,110,565.50	-	-	15,702,856.44	-	-	-	-	-	394,813,421.94	-
Shenyudao Cultural Tourism Holding Co., Ltd. (神玉島文化旅遊控股股份有限公司)	180,995,432.77	-	-	(3,741,229.98)	-	-	-	-	-	177,254,202.79	-
Yaxiya Building Materials Co., Ltd. (亞細亞建築材料股份有限公司)	324,674,334.64	-	-	(4,368,030.01)	-	-	-	-	-	320,306,304.63	-
Guangdong Sanweijia Information Technology Co., Ltd. (廣東三維家信息科技有限公司)	118,686,872.62	-	-	(12,458,220.53)	-	-	-	-	-	106,228,652.09	-
Sunseaparking Inc	138,035,841.47	-	-	(1,064,868.90)	-	-	-	-	-	136,970,972.57	-
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	127,075,701.74	-	-	(6,589,993.68)	-	-	-	-	-	118,485,708.06	-
Guangdong WIFA Customized Home Furnishings Co., Ltd. (廣東威法定制家居股份有限公司)	54,359,002.04	-	-	3,546,365.00	-	-	(3,656,251.25)	-	-	54,249,115.79	-
Weifang Binxing Properties Co., Ltd. (濰坊濱星置業有限公司)	89,521,772.09	-	-	(206,618.66)	-	-	-	-	-	89,315,153.43	-
Zhejiang Zhongguang Electric Appliances Co., Ltd. (浙江中廣電器股份有限公司)	92,010,059.10	-	-	(3,091,426.01)	-	-	-	-	-	88,918,633.09	-
Shanghai Xincheng'an Construction Co., Ltd. (上海鑫誠安建設有限公司)	76,606,908.60	-	-	(623,639.07)	-	-	-	-	-	75,983,269.53	-
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司)	67,444,407.66	-	-	932,543.56	-	-	-	-	-	68,376,951.22	-
LEAWOD Door and Window Profiles Company (四川良木進門窗型材有限公司)	64,874,425.92	-	-	72,917.25	-	-	-	-	-	64,947,343.17	-
Suzhou Supin Home Culture Co., Ltd. (蘇州市蘇品宅配文化有限公司)	59,878,038.22	-	-	(1,317,008.07)	-	-	-	-	-	58,561,030.15	-
Shenzhen Red Star Macalline Home Furnishing Plaza Company Limited (深圳紅星美凱龍家居生活廣場有限公司)	45,323,673.02	-	-	(179,676.53)	-	-	-	-	-	45,143,996.49	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Long-term Equity Investments (continued)

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period			Cash dividend or profit declared	Provision made for impairment allowance	Others	Closing balance	Closing balance of impairment allowance
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity					
Ant live (Tianjin) Network Technology Co., Ltd. (鐵安居(天津)網絡技術有限公司)	41,930,233.66	-	-	(1,395,285.73)	-	-	-	-	-	40,534,947.93	-
Beijing Bilin Hongke Technology Co., Ltd. (北京比鄰弘科科技有限公司)	40,111,533.04	-	-	(307,707.34)	-	-	-	-	-	39,803,825.70	-
Shanghai Qiangshang Environmental Technology Company Limited (上海蕭尚環保科技有限公司)	38,283,147.95	-	-	(61,035.59)	-	-	-	-	-	38,222,112.36	-
Shanghai CONJOINT Construction Technology Co., Ltd. (上海開裝建築科技有限公司)	35,203,824.18	-	-	284,646.91	-	-	-	-	-	35,488,471.09	-
Icolor Private Limited	39,357,920.70	-	-	(1,708,030.09)	-	-	-	-	-	37,649,890.61	-
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	36,469,581.42	-	-	(838,497.73)	-	-	-	-	-	35,631,083.69	-
Chengdu Rhine Etam Furniture Co., Ltd. (成都艾格傢俱有限公司)	30,414,242.05	-	-	(1,131,928.08)	-	-	-	-	-	29,282,313.97	-
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家家居科技有限公司)	29,044,887.13	-	-	(2,254,082.24)	-	-	-	-	-	26,790,794.89	-
Shanghai Jinjiang United Purchasing Supply Chain Co., Ltd. (上海錦江聯採供應鏈有限公司)	30,138,903.75	-	-	(991,701.71)	-	-	-	-	-	29,147,202.04	-
BigZone Information Technology (Shanghai) Company Limited (大城信息科技(上海)有限公司)	19,124,882.43	-	-	-	-	-	-	-	-	19,124,882.43	-
Arpollo Network Technology (Beijing) Co., Ltd. (愛諾網絡科技(北京)有限公司)	-	-	-	-	-	-	-	-	-	-	(13,396,307.27)
Shengbao (Shanghai) Furniture Co., Ltd. (昂葆(上海)傢俱有限公司)	13,146,921.56	-	-	20,000.00	-	-	-	-	-	13,166,921.56	-
Beijing Canny-Robot Technology Co., Ltd. (北京康力優藍機器人科技有限公司)	13,147,574.49	-	-	(1,249,685.40)	-	-	-	-	-	11,897,889.09	-
Shenzhen Yatai Macalline Life Space Technology Co., Ltd. (深圳市亞泰美凱龍空間科技有限公司)	9,341,711.18	-	-	(285,976.99)	-	-	-	-	-	9,055,734.19	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Long-term Equity Investments (continued)

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period			Cash dividend or profit declared	Provision made for impairment allowance	Others	Closing balance	Closing balance of impairment allowance
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity					
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉辰建築裝璜工程有限公司)	5,352,588.39	-	-	50,432.26	-	-	-	-	-	5,403,020.65	-
Guangzhou Huoshu Yinhua Information Technology Co., Ltd. (廣州火樹銀花信息科技有限公司)	4,402,827.21	-	-	(25,154.00)	-	-	-	-	-	4,377,673.21	-
Shenzhen Huasheng Home Furnishing Group Co., Ltd. (深圳華生大家居集團有限公司)	3,685,076.97	-	-	(143,035.18)	-	-	-	-	-	3,542,041.79	-
Yimeijisi Optoelectronics Technology (Fujian) Co., Ltd. (詔美吉斯光電科技(福建)有限公司)	2,562,615.88	-	-	639,439.11	-	-	-	-	-	3,202,054.99	-
Anka Household Products (Shanghai) Co., Ltd. (安徽家居用品(上海)有限公司)	2,923,986.19	-	-	(158,699.46)	-	-	-	-	-	2,765,286.73	-
Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	1,385,550.36	-	-	529,664.65	-	-	-	-	-	1,915,215.01	-
Wuhu Meihe Asset Management Company Limited (蕪湖美和資產管理有限公司)	606,800.33	-	-	(492,368.35)	-	-	-	-	-	114,431.98	-
Shanghai AI Pure Intelligent Technology Co., Ltd. (上海智譜智能科技有限公司)	-	-	-	-	-	-	-	-	-	-	-
Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝璜工程有限公司)	21,285,513.78	-	-	827,161.35	-	-	-	-	-	22,112,675.13	-
Meishang (Guangzhou) Cosmetics Co., Ltd. (美尚(廣州)化妝品股份有限公司)	54,479,022.94	-	-	2,636,706.60	-	-	-	-	-	57,115,729.54	-
Shanghai Weilaishi Decoration Technology Co., Ltd. (上海威來達裝飾科技有限公司)	3,785,987.08	-	-	(1,093,579.07)	-	-	-	-	-	2,692,408.01	-
Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍家居科技有限公司)	-	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Long-term Equity Investments (continued)

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period			Cash dividend or profit declared	Provision made for impairment allowance	Others	Closing balance	Closing balance of impairment allowance
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity					
Zhongzhuang Central Purchasing (Beijing) Information Technology Co., Ltd. (中裝集採(北京)信息技術有限公司)	706,701.73	-	-	(129,669.54)	-	-	-	-	-	577,032.19	-
Alibbe Inc.	10,000,000.00	-	(10,000,000.00)	-	-	-	-	-	-	-	-
Xingpai Commercial Property Management (Guangzhou) Co., Ltd. (星派商業物業經營(廣州)有限公司)	-	1,600,000.00	-	(244,753.44)	-	-	-	-	-	1,355,246.56	-
CSSC Cruise Industry Development (Shanghai) Co., Ltd. (中船郵輪產業發展(上海)有限公司)	-	24,000,000.00	-	(467,204.37)	-	-	-	-	-	23,532,795.63	-
Shanghai Xingyue Property Service Co., Ltd. (上海星悅物業服務有限公司)	-	111,739.32	-	-	-	-	-	-	-	111,739.32	-
Sub-total	2,695,105,267.41	25,711,739.32	(10,000,000.00)	(6,226,369.12)	-	-	(3,656,251.25)	-	-	2,700,934,386.36	(13,396,307.27)
Total	3,703,895,492.49	66,631,739.32	(15,129,850.55)	12,486,427.01	-	-	(5,656,251.25)	-	-	3,762,227,557.02	(13,396,307.27)

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments

(1) Other equity instrument investments status

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Beijing Bluepower Technology Co., Ltd. (北京藍海華業科技股份有限公司)	4,039,453.00	3,231,562.40
Beijing Parking Easy Information Technology Co. Ltd. (北京停簡單信息技術有限公司)	18,937,593.72	22,050,123.50
Chengdu Xinchao Media Group Co., Ltd. (成都新潮傳媒集團有限公司)	247,645,720.12	248,200,000.00
Guangzhou Snimay Home Furnishing Co., Ltd. (廣州市詩尼曼家居股份有限公司)	81,784,005.22	79,092,562.97
Jinan Caijin Fosun Weishi Equity Investment Fund Joint Venture (LIMITED PARTNERSHIP) (濟南財金復星惟實股權投資基金合夥企業(有限合夥))	195,603,750.00	171,188,383.78
Ningbo Meishan Bonded Port Area Qijun Equity Investment Partnership (LIMITED PARTNERSHIP) (寧波梅山保稅港區奇君股權投資合夥企業(有限合夥))	1,549,458,326.49	1,174,454,153.25
Qingdao Yeelight Smart Technology Co., Ltd. (青島易來智慧科技股份有限公司)	43,765,591.32	40,061,909.25
Xi'an Jiahexing Home Furnishing Co., Ltd. (西安佳和興家居有限責任公司)	11,400,000.00	11,400,000.00
Zhejiang Xingyue Electric Equipment Co., Ltd. (浙江星月電器有限公司)	–	48,979,433.07
Sinostone (Guangdong) Co. Ltd. (廣東中旗新材料股份有限公司)	137,576,842.29	122,032,981.86
Keeson Technology Corporation Limited (麒盛科技股份有限公司)	117,892,315.15	167,731,098.81
Gold Medal Kitchen Cabinet Home Technology Co., Ltd. (金牌廚櫃家居科技股份有限公司)	21,176,315.29	15,842,741.40
Beijing Bayi Space LCD Technology Co., Ltd. (北京八億時空液晶科技股份有限公司)	11,047,768.94	172,817,400.00

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(1) Other equity instrument investments status (continued)

Items	Closing balance	Opening balance
Harbin Sayyas Windows Stock Co., Ltd. (哈爾濱森鷹窗業股份有限公司)	33,742,000.60	48,788,372.39
Hangzhou Water Show Culture GROUP Co., Ltd. (杭州水秀文化集團有限公司)	11,753,041.01	19,970,498.39
Meicai (Wuhan) Technology Co., Ltd. (美材(武漢)科技有限公司)	21,995,758.65	15,911,821.89
Shanghai Scholar Home Enterprise Management Consulting Centre (LIMITED PARTNERSHIP) (上海檀敘企業管理諮詢中心(有限合夥))	82,028,223.28	75,969,915.56
YunDing Network Technology (Beijing) Co., Ltd. (雲丁網絡技術(北京)有限公司)	53,741,852.41	52,357,455.79
Zhejiang Entive Intellectual Kitchen Electricity Co., Ltd. (浙江億田智能廚電股份有限公司)	249,408,000.00	150,300,000.00
Shenzhen Angstrong Technology Co., Ltd. (深圳市安思疆科技有限公司)	28,660,192.59	24,898,128.73
DESSMANN (China) Machinery & Electronic Co., Ltd. (德施曼機電(中國)有限公司)	54,799,666.85	50,106,947.38
Zhejiang Mingdu Intelligent Control Technology Co., Ltd. (浙江明度智控科技有限公司)	35,494,549.86	19,000,237.00
Black Sesame International Holding Limited	8,956,271.72	8,956,271.72
Dingdong (Cayman) Limited	1,460,753,742.14	619,983,773.00
Oriental Standard Human Resources Holdings Limited	163,766,629.66	185,173,630.96
AUPU Home Co., Ltd. (奧普家居股份有限公司)	149,336,815.32	227,416,847.59
Shenzhen ORVIBO Technology Co., Ltd. (深圳市歐瑞博科技股份有限公司)	13,998,136.03	13,998,136.03
Ningbo Meishan Free Trade Port Qi'an Equity Investment Partnership (LIMITED PARTNERSHIP) (寧波梅山保稅港區啟安股權投資合夥企業(有限合夥))	5,383,929.00	5,383,929.00
De Rucci Bedding Co., Ltd. (慕思健康睡眠股份有限公司)	229,093,242.68	130,500,000.00
Shenzhen Yuanchao Smart Life Co., Ltd. (深圳遠超智慧生活股份有限公司)	146,047,677.62	101,219,000.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(1) Other equity instrument investments status (continued)

Items	Closing balance	Opening balance
Zhejiang Xierkang Smart Home Co., Ltd. (浙江喜爾康智能家居有限公司)	47,050,800.00	47,050,800.00
Guangdong Huangpai Custom Home Furnishing Group Co., Ltd. (廣東皇派定制家居集團股份有限公司)	52,992,240.18	24,205,696.00
ARROW Home Group Co., Ltd. (箭牌家居集團股份有限公司)	54,106,600.00	54,106,600.00
Belan Information Technology (Shanghai) Co., Ltd. (斑瀾信息科技(上海)有限公司)	40,000,000.00	–
Aibbe Inc.	71,951,368.95	–
SleepMaker (Hong Kong) Company Limited	9,997,200.00	–
Others	54,835,364.66	54,297,634.82
Total	5,520,220,984.75	4,206,678,046.54

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(2) Investment in equity instruments held for non-trading purpose

Unit: Yuan Currency: RMB

Items	Dividend income recognised during the period	Cumulative gains	Cumulative losses	Amount of other comprehensive income carried forward to retained earning	Reason for other comprehensive income carried forward to retained earning
Beijing Bluepower Technology Co., Ltd. (北京藍海華業科技股份有限公司)	-	-	40,111,768.29	-	
Beijing Parking Easy Information Technology Co. Ltd. (北京停車信息技術有限公司)	-	-	23,562,406.28	-	
Chengdu Xinchao Media Group Co., Ltd. (成都新潮傳媒集團有限公司)	-	47,645,720.12	-	-	
Guangzhou Snimay Home Furnishing Co., Ltd. (廣州市詩尼曼家居股份有限公司)	-	48,174,005.22	-	-	
Jinan Caijin Fosun Weishi Equity Investment Fund Joint Venture (LIMITED PARTNERSHIP) (濟南財金復星惟實股權投資基金合夥企業(有限合夥))	7,025,413.51	60,603,750.00	-	-	
Ningbo Meishan Bonded Port Area Qijun Equity Investment Partnership (LIMITED PARTNERSHIP) (寧波梅山保稅港區奇君股權投資合夥企業(有限合夥))	5,664,214.07	1,386,221,541.84	-	169,967,743.45	Partial disposal
Qingdao Yeelight Smart Technology Co., Ltd. (青島易來智慧科技股份有限公司)	-	29,065,591.32	-	-	
Xi'an Jiahexing Home Furnishing Co., Ltd. (西安佳和興家居有限責任公司)	-	-	-	-	
Zhejiang Xingyue Electric Equipment Co., Ltd. (浙江星月電器有限公司)	-	-	-	-	Disposal
Sinostone (Guangdong) Co. Ltd. (廣東中旗新材料股份有限公司)	-	104,596,842.29	-	-	
Keeson Technology Corporation Limited (麒盛科技股份有限公司)	3,469,820.00	65,011,337.11	-	26,254,291.54	Partial disposal

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(2) Investment in equity instruments held for non-trading purpose (continued)

Items	Dividend income recognised during the period	Cumulative gains	Cumulative losses	Amount of other comprehensive income carried forward to retained earning	Reason for other comprehensive income carried forward to retained earning
Gold Medal Kitchen Cabinet Home Technology Co., Ltd. (金牌廚櫃家居科技股份有限公司)	285,454.80	6,829,143.21	-	-	
Beijing Bayi Space LCD Technology Co., Ltd. (北京八億時空液晶科技股份有限公司)	224,007.06	5,534,618.66	-	53,620,760.04	Partial disposal
Harbin Sayyas Windows Stock Co., Ltd. (哈爾濱森鷹窗業股份有限公司)	-	11,369,650.61	-	-	
Hangzhou Water Show Culture GROUP Co., Ltd. (杭州水秀文化集團有限公司)	-	-	1,719,958.99	-	
Meicai (Wuhan) Technology Co., Ltd. (美材(武漢)科技有限公司)	-	-	4,241.35	-	
Shanghai Scholar Home Enterprise Management Consulting Centre (LIMITED PARTNERSHIP) (上海禮歙企業管理諮詢中心(有限合夥))	-	62,068,223.28	-	-	
YunDing Network Technology (Beijing) Co., Ltd. (雲丁網絡技術(北京)有限公司)	-	41,893,932.05	-	-	
Zhejiang Entire Intellectual Kitchen Electricity Co., Ltd. (浙江德田智能廚電股份有限公司)	1,800,000.00	186,408,000.00	-	-	
Shenzhen Angstrong Technology Co., Ltd. (深圳市安思疆科技有限公司)	-	8,660,192.59	-	-	
DESSMANN (China) Machinery & Electronic Co., Ltd. (德施曼機電(中國)有限公司)	-	33,099,666.85	-	-	
Zhejiang Mingdu Intelligent Control Technology Co., Ltd. (浙江明度智控科技有限公司)	-	20,494,549.86	-	-	
Black Sesame International Holding Limited	-	-	3,537,472.36	-	
Dingdong (Cayman) Limited	-	1,412,660,516.22	-	-	
Oriental Standard Human Resources Holdings Limited	-	108,262,969.00	-	-	
AUPU Home Co., Ltd. (奧普家居股份有限公司)	6,102,135.60	-	48,893,533.36	(10,920,415.99)	Partial disposal

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(2) Investment in equity instruments held for non-trading purpose (continued)

Items	Dividend income recognised during the period	Cumulative gains	Cumulative losses	Amount of other comprehensive income carried forward to retained earning	Reason for other comprehensive income carried forward to retained earning
Shenzhen ORVIBO Technology Co., Ltd. (深圳市歐瑞博科技股份有限公司)	-	3,998,136.03	-	-	
Ningbo Meishan Free Trade Port Qi'an Equity Investment Partnership (LIMITED PARTNERSHIP) (寧波梅山保稅港區啟安股權投資合夥企業(有限合夥))	-	-	-	-	
De Rucci Bedding Co., Ltd. (慕思健康睡眠股份有限公司)	-	98,593,242.68	-	-	
Shenzhen Yuanchao Smart Life Co., Ltd. (深圳遠超智慧生活股份有限公司)	-	44,828,677.62	-	-	
Zhejiang Xierkang Smart Home Co., Ltd. (浙江喜爾康智能家居有限公司)	-	5,750,800.00	-	-	
Guangdong Huangpai Custom Home Furnishing Group Co., Ltd. (廣東皇派定制家居集團股份有限公司)	877,344.00	28,786,544.18	-	-	
ARROW Home Group Co., Ltd. (箭牌家居集團股份有限公司)	-	-	-	-	
Belan Information Technology (Shanghai) Co., Ltd. (斑瀾信息科技(上海)有限公司)	-	-	-	-	
Aibbe Inc.	-	-	-	-	
SleepMaker (Hong Kong) Company Limited	-	-	-	-	
Others	-	7,763,600.52	74,565,225.64	-	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other Equity Instrument Investments (continued)

(2) Investment in equity instruments held for non-trading purpose (continued)

Others:

As the Group held the above investments not for the purpose of trading, thus the Group will appoint them as investments at FVTOCI.

The Group disposed other equity instrument investments of RMB447,700,593.63, and accumulated profit and loss totaling RMB238,922,379.04 were carried forward from other comprehensive income to retained earning. The Group disposed other equity instrument investments of RMB1,463,597,379.68, and accumulated profit and loss totaling RMB1,015,546,734.95 were carried forward from other comprehensive income to retained earning in 2020.

15. Other Non-Current Financial Assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	389,174,540.60	396,924,540.60
Total	389,174,540.60	396,924,540.60

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Investment Property

Measurement model for investment properties

(1) Investment property adopting fair value measurement model

Unit: Yuan Currency: RMB

Items	Houses and buildings	Properties under construction	Total
I. Opening balance	81,482,000,000.00	11,668,000,000.00	93,150,000,000.00
II. Changes in the current period	945,000,000.00	(556,000,000.00)	389,000,000.00
Add: Purchases	643,216,325.36	816,562,264.67	1,459,778,590.03
Transfer from inventories/fixed assets/projects under construction	66,998,925.26	-	66,998,925.26
Increases on business combinations	-	-	-
Less: Disposal	1,479,000,000.00	461,000,000.00	1,940,000,000.00
Other transfers	-	-	-
Changes in fair value	1,129,292,892.09	(911,562,264.67)	217,730,627.42
Assets acquisition	584,491,857.29	-	584,491,857.29
III. Closing balance	82,427,000,000.00	11,112,000,000.00	93,539,000,000.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Investment Property (continued)

Measurement model for investment properties (continued)

(2) *The situation of the investment properties with ownership certificate not settled*

Unit: Yuan Currency: RMB

Items	Book value	Reason for not yet settling
Nanjing International Home Living Plaza (南京國際家居廣場)	1,238,000,000.00	Application for ownership certificate is in progress
Lanzhou Shibo Home Furnishing Plaza (蘭州世博家居商場)	446,000,000.00	Application for ownership certificate is in progress
Hangzhou Shibo Furniture Plaza (杭州世博家居商場)	276,000,000.00	Application for ownership certificate is in progress
Leasing Portion of Hongqiao Office Building	891,411,000.37	Application for ownership certificate is in progress
Taiyuan International Home Furnishing Plaza (太原全球家居廣場)	566,000,000.00	Application for ownership certificate is in progress
Chongqing Ogloria Home Furnishing Mall (重慶歐麗洛雅家居商場)	1,028,000,000.00	Application for ownership certificate is in progress

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Investment Property (continued)

Measurement model for investment properties (continued)

(2) *The situation of the investment properties with ownership certificate not settled (continued)*

Others

Such investment properties are rented to the third party under operating lease.

The amount of interest capitalization included in investment properties during the current period was RMB198,823,691.59.

As at 30 June 2021, the investment properties valued RMB81,788,000,000.00 was held by the Group as security to acquire borrowings of RMB33,170,598,122.49. Please refer to "Financial Reports VII.65. Assets with Restricted Ownership or Use Right".

As at 30 June 2021, the investment properties at fair value of RMB2,017,000,000 held by the Group was located in the land with the use rights owned by project partners, which was used for scientific research and designs and whose type of use rights was for allocation use. Pursuant to relevant agreement entered into with project partners, the Group recognized the investment properties as investment properties leased by financial lease. The Group held no ownership certificate for such investment properties.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Fixed Assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	2,645,892,365.59	2,737,965,196.94
Disposal of fixed assets		
Total	2,645,892,365.59	2,737,965,196.94

Fixed Assets

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation tool	Special equipment	Transportation equipment	Electronic equipment, appliances and fixtures	Total
I. Original book value:							
1. Opening balance	2,407,458,875.45		175,864,856.08	136,922,185.22	439,949,258.35		3,160,195,175.10
2. Increased amount in the current period	35,535,937.32			2,767,794.33	7,100,743.59	11,458,540.81	56,863,016.05
(1) Purchase	35,535,937.32			2,767,794.33	7,100,743.59	11,458,540.81	56,863,016.05
(2) Transfer from construction in progress							
(3) Increases on business combinations							
3. Reduced amount in the current period	66,998,925.26			37,837.61	20,181,238.12	8,427,513.59	95,645,514.58
(1) Disposal or retirement	66,998,925.26			37,837.61	20,181,238.12	8,427,513.59	95,645,514.58
4. Closing balance	2,375,995,887.51		178,594,812.80	123,841,690.69	442,980,285.57		3,121,412,676.57

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Fixed Assets (continued)

Fixed Assets (continued)

Unit: Yuan Currency: RMB

Items	Houses and buildings	Mechanical equipment	Transportation tool	Special equipment	Transportation equipment	Electronic equipment, appliances and fixtures	Total
II. Accumulated depreciation							
1. Opening balance	53,472,298.75			29,063,364.18	95,119,559.46	244,574,755.77	422,229,978.16
2. Increased amount in the current period	28,873,367.50			7,111,767.16	6,668,689.95	35,897,102.62	78,550,927.23
(1) Provision	28,873,367.50			7,111,767.16	6,668,689.95	35,897,102.62	78,550,927.23
3. Reduced amount in the current period	2,006,869.92			24,862.46	17,134,697.44	6,094,164.59	25,260,594.41
(1) Disposal or retirement	2,006,869.92			24,862.46	17,134,697.44	6,094,164.59	25,260,594.41
4. Closing balance	80,338,796.33			36,150,268.88	84,653,551.97	274,377,693.80	475,520,310.98
III. Impairment allowance							
1. Opening balance							
2. Increased amount in the current period							
(1) Provision							
3. Reduced amount in the current period							
(1) Disposal or retirement							
4. Closing balance							
IV. Book value							
1. Closing book value	2,295,657,091.18			142,444,543.92	39,188,138.72	168,602,591.77	2,645,892,365.59
2. Opening book value	2,353,986,576.70			146,801,491.90	41,802,625.76	195,374,502.58	2,737,965,196.94

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Fixed Assets (continued)

Fixed Assets (continued)

(1) Fixed assets leased by way of operating lease

Unit: Yuan Currency: RMB

Item	Closing book value
Engineering equipment	128,943,087.81

(2) Fixed assets with ownership certificate not settled

Unit: Yuan Currency: RMB

Item	Book value	Reason for not yet settling
Hongqiao office building 2 and building 5	1,760,661,822.91	Application for ownership certificate is in progress

Others:

As of June 30, 2021, the Group's fixed assets with value of RMB2,295,657,091.18 were used as mortgaged collateral to obtain loans of RMB737,446,000.00. Please refer to "Financial Reports V.65. Assets with restricted ownership or use rights".

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Construction in Progress

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	93,632,210.56	80,629,155.83
Total	93,632,210.56	80,629,155.83

Construction in Progress

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment allowance	Book value	Book balance	Impairment allowance	Book value
Construction in progress	93,632,210.56	-	93,632,210.56	80,629,155.83	-	80,629,155.83
Total	93,632,210.56	-	93,632,210.56	80,629,155.83	-	80,629,155.83

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Right-of-Use Assets

Unit: Yuan Currency: RMB

Items	Houses and buildings	Other equipments	Total
I. Original book value			
1. Opening balance	6,607,958,564.63	24,321,055.16	6,632,279,619.79
2. Increased amount in the current period	552,016,429.91	–	552,016,429.91
3. Reduced amount in the current period	1,030,401,091.16	–	1,030,401,091.16
4. Closing balance	6,129,573,903.38	24,321,055.16	6,153,894,958.54
II. Accumulated depreciation			
1. Opening balance	2,766,102,945.14	13,579,255.80	2,779,682,200.94
2. Increased amount in the current period	356,559,852.39	373,021.99	356,932,874.38
(1) Provision	356,559,852.39	373,021.99	356,932,874.38
3. Reduced amount in the current period	872,582,171.75	–	872,582,171.75
(1) Disposal	872,582,171.75	–	872,582,171.75
4. Closing balance	2,250,080,625.78	13,952,277.79	2,264,032,903.57
III. Impairment allowance			
1. Opening balance	–	–	–
2. Increased amount in the current period	–	–	–
(1) Provision	–	–	–
3. Reduced amount in the current period	–	–	–
(1) Disposal	–	–	–
4. Closing balance	–	–	–
IV. Book value			
1. Closing book value	3,879,493,277.60	10,368,777.37	3,889,862,054.97
2. Opening book value	3,841,855,619.49	10,741,799.36	3,852,597,418.85

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Intangible Assets

Unit: Yuan Currency: RMB

Items	Software	Trademark use right	Others	Total
I. Original book value				
1. Opening balance	216,352,285.11	525,000,000.00	12,871,693.92	754,223,979.03
2. Increased amount in the current period	27,748,952.40	-	1,049,292.45	28,798,244.85
(1) Purchase	3,356,081.27	-	-	3,356,081.27
(2) Internal research and development	18,720,046.85			18,720,046.85
(3) Increases on business combinations				
Transfer from construction in progress	5,672,824.28	-	1,049,292.45	6,722,116.73
3. Reduced amount in the current period	382,221.46	-	318,104.60	700,326.06
(1) Disposal	382,221.46	-	318,104.60	700,326.06
4. Closing balance	243,719,016.05	525,000,000.00	13,602,881.77	782,321,897.82

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Intangible Assets (continued)

Items	Software	Trademark use right	Others	Total
II. Accumulated depreciation				
1. Opening balance	103,962,970.47	100,647,266.55	10,845,159.29	215,455,396.31
2. Increased amount in the current period	17,854,106.90	4,869,223.22	750,848.08	23,474,178.20
(1) Provision	17,854,106.90	4,869,223.22	750,848.08	23,474,178.20
3. Reduced amount in the current period	258,991.63	-	346,964.85	605,956.48
(1) Disposal	258,991.63	-	346,964.85	605,956.48
4. Closing balance	121,558,085.74	105,516,489.77	11,249,042.52	238,323,618.03
III. Impairment allowance				
1. Opening balance	-	195,000,000.00	-	195,000,000.00
2. Increased amount in the current period				
(1) Provision				
3. Reduced amount in the current period				
(1) Disposal				
4. Closing balance	-	195,000,000.00	-	195,000,000.00
IV. Book value				
1. Closing book value	122,160,930.31	224,483,510.23	2,353,839.25	348,998,279.79
2. Opening book value	112,389,314.64	229,352,733.45	2,026,534.63	343,768,582.72

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Intangible Assets (continued)

At the end of the period, intangible assets formed through internal research and development accounted for 5.36% of the balance of intangible assets.

Note: RMB525,000,000.00 in the initial book value of the right to use the trademarks is used to purchase the right to use the registered trademark of Jisheng Wellborn from Shanghai Jisheng Wellborn Furniture Company Limited (上海吉盛偉邦家居市場經營管理有限公司) by the Company. In May 2014, the Company and the controlling shareholders of Shanghai Jisheng Wellborn Furniture Company Limited entered into the Registered Trademark Licensing Contract, pursuant to which, Shanghai Jisheng Wellborn Furniture Company Limited authorizes the Company to use eight of its registered trademarks (the "licensed trademarks") on an exclusive basis, and the Company has the right to use the licensed trademarks in our Portfolio Shopping Malls or Managed Shopping Malls and in the business operation course related with those shopping malls. Meanwhile, the Company has the right to authorize any third parties to use the licensed trademarks within the properties of the shopping malls from 1 June 2014 to 30 May 2044.

The Company shall pay an annual fee in standard for establishing shopping malls to use the licensed trademarks in addition to the nonrecurring trademark licensing fee of RMB525,000,000.00, the period for payment is the period from the opening date of the shopping mall to the day when the shopping mall ceases to use the licensing trademarks. The right to use the trademark was amortized on a straight-line basis within 30 years of the licensed period contracted by the Group since June 2014. The recoverable amount was determined based on the present value of the expected future cash flow of the asset group. This asset group consists of the right to use the trademark of JSWB. When determining the present value of the expected future cash flows of the asset group, a discount rate of 16% was used. As of the end of the year, the balance of impairment reserves for the use of JSWB trademark was RMB195,000,000.00.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Development Expenditure

Unit: Yuan Currency: RMB

Items	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Internal research and development expenditure	Others	Recognized as intangible assets	Transfer to the current profit or loss	
Home improvement and data platform	30,837,675.61			18,720,046.85		12,117,628.76
Total	30,837,675.61			18,720,046.85		12,117,628.76

22. Goodwill

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		From business combination	Disposal	
Suzhou Industry Park Zhongxiang Meitong Storage Company Limited (蘇州工業園區中翔美通倉儲銷售有限公司)	16,592,357.41			16,592,357.41
Xinsheng Property Management (Shanghai) Co., Ltd. (鑫笙物業管理(上海)有限公司)	81,004,690.44			81,004,690.44
Total	97,597,047.85			97,597,047.85

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Long-term Prepaid Expenses

Unit: Yuan Currency: RMB

Items	Opening balance	Increased amount in the current period	Amortisation in the current period	Other decreased amount	Closing balance
Improvement expenditures for fixed assets rented (Note)	226,650,142.39	13,366,520.92	34,030,332.18	–	205,986,331.13
Others	227,404,660.83	34,508,365.43	46,060,652.21	–	215,852,374.05
Total	454,054,803.22	47,874,886.35	80,090,984.39	–	421,838,705.18

Others:

Note: Improvement expenditures for fixed assets rented represents improvement expenditures for Leased Portfolio Shopping Malls, which may be evenly amortized by the Group in stages during the shorter of an estimated beneficial period of 10 years and the lease term of Leased Portfolio Shopping Malls.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Deferred Tax Assets/Deferred Tax Liabilities

(1) Deferred tax assets that are not offset

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	2,344,718,119.23	539,421,862.89	2,227,639,729.59	512,485,268.83
Unrealized profit in internal transactions				
Deductible loss	3,407,194,102.09	828,399,843.58	3,170,200,028.44	789,008,202.63
Provision for unpaid expenses	1,166,940,853.90	289,337,007.63	1,404,482,483.51	348,840,824.81
Asset-related deferred income	180,744,499.12	45,186,124.79	200,067,948.24	50,016,987.06
Cost overruns for advertising expenses	487,745,271.82	118,793,571.84	474,494,060.39	115,473,746.04
Long-term assets capitalized in Group's internal transaction	319,096,495.76	79,774,123.94	301,282,830.56	75,320,707.64
Total	7,906,439,341.92	1,900,912,534.67	7,778,167,080.73	1,891,145,737.01

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Deferred Tax Assets/Deferred Tax Liabilities (continued)

(2) Deferred tax liabilities that are not offset

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of other equity instrument investments	3,617,928,352.57	705,034,608.24	1,943,279,492.32	415,810,337.80
Changes in fair value of investment properties	48,339,211,517.44	12,086,047,820.32	47,468,635,085.08	11,867,158,771.27
Adjustment to the fair value arising from business combination	2,207,854,229.64	551,963,557.41	2,207,854,229.64	551,963,557.41
Investment income from joint venture and associates transferred to other equity instrument investments	218,116,887.10	32,717,533.07	218,116,887.10	32,717,533.07
Total	54,383,110,986.75	13,375,763,519.04	51,837,885,694.14	12,867,650,199.55

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Deferred Tax Assets/Deferred Tax Liabilities (continued)

(3) Offsetting of balances of deferred tax assets or liabilities

Unit: Yuan Currency: RMB

Items	Closing set-off amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting	Opening set-off amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	333,206,079.37	1,567,706,455.30	350,078,580.62	1,541,067,156.39
Deferred tax liabilities	333,206,079.37	13,042,557,439.67	350,078,580.62	12,517,571,618.93

(4) Details of unrecognized deferred tax assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference	130,912,171.79	130,912,171.79
Deductible loss	5,657,716,510.43	5,195,494,528.08
Total	5,788,628,682.22	5,326,406,699.87

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Deferred Tax Assets/Deferred Tax Liabilities (continued)

- (5) Deductible temporary difference and deductible loss, for which deferred tax assets are not recognized, will expire in the following years

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance
2021	433,785,953.11	313,262,425.16
2022	420,760,951.65	697,344,643.06
2023	639,468,985.66	987,331,882.97
2024	1,127,389,770.72	1,420,405,450.42
2025	1,864,795,654.78	1,777,150,126.47
2026	1,171,515,194.51	–
Total	5,657,716,510.43	5,195,494,528.08

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Other Non-Current Assets

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayments for construction and advance payment for land compensation	1,312,142,627.53	(62,609,165.95)	1,249,533,461.58	1,388,067,804.18	(61,491,076.95)	1,326,576,727.23
Earning right related to land consolidation (Note 1)	1,835,867,940.18		1,835,867,940.18	1,835,867,940.18		1,835,867,940.18
Prepayments for purchasing properties (Note 2)	229,127,213.28		229,127,213.28	401,627,213.28		401,627,213.28
Entrusted loans and borrowings (Note 3)	864,461,412.31	(8,742,614.12)	855,718,798.19	1,012,483,677.15	(10,124,836.77)	1,002,358,840.38
Prepayments for equity transfer	545,400,000.00		545,400,000.00	318,600,000.00		318,600,000.00
Prepayments for repurchase	247,705,000.00		247,705,000.00	247,705,000.00		247,705,000.00
Prepayments for land (Note 4)	-		-	132,664,000.00		132,664,000.00
Deposits	15,044,803.43		15,044,803.43	17,221,481.37		17,221,481.37
Total	5,049,748,996.73	(71,351,780.07)	4,978,397,216.66	5,354,237,116.16	(71,615,913.72)	5,282,621,202.44

Others:

Note 1: In August 2018, the Group acquired 70% equity interest in Yintai (Yongqing) New City Investment Co., Ltd. (銀泰(永清)新城投資有限公司) at a consideration of RMB1 billion, and acquired an earning right thereof related to land consolidation simultaneously;

Note 2: As of 30 June 2021, prepayments for purchasing properties were mainly prepayments paid by the Group for the purchase of properties.

Note 3: As of 30 June 2021, the entrusted loans and lending mainly include the following:

The Group provided funds to Xi'an Jiahexing Home Furnishing Co., Ltd. (西安佳和興家居有限責任公司) with an interest rate of 11%, which was used for land construction supporting costs and costs at the early stage. The balance of principal and interest at the end of the period was RMB488,501,412.31, which was all listed as other non-current assets at the end of the period;

The borrowing granted by the Group to Zhejiang Mingdu Investment Company Limited (浙江名都投資有限公司) had an interest rate of 5.78% and a balance amounting to RMB137,700,000.00 as at the end of the period, with a term from September 2020 to January 2030. According to the repayment plan stipulated in the contract, RMB110,160,000.00 was accounted as other noncurrent assets as at the end of the year;

Note 4: Prepayments for land is because the land certificate of the purchased land is still being processed. This part of the land payment is included in other non-current assets. After obtaining the land certificate, the prepayments for land will be transferred to investment properties.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Short-term Loans

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledge loans	1,872,513,560.26	153,978,641.66
Mortgage loans	1,254,304,247.99	2,948,438,306.13
Guaranteed loans	58,583,397.28	30,000,000.00
Credit loans	250,907,805.55	250,563,239.75
Pledge and guaranteed loans	44,782,952.01	65,391,721.91
Total	3,481,091,963.09	3,448,371,909.45

Description of classification of short-term loans:

As at 30 June 2021, the aforesaid borrowings carried interest rates at 3.15% to 7.00% per annum (31 December 2020: 3.00% to 6.50%).

As at 30 June 2021, there were no overdue loans (31 December 2020: Nil).

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Notes Payable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Bank acceptance bill	13,700,000.00	–
Total	13,700,000.00	–

The total notes payable due but not paid at the end of the period was nil.

28. Accounts Payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Amounts payable for advertisements and purchase of goods	440,230,859.06	519,667,754.29
Amounts payable for construction	1,468,674,837.85	1,565,661,468.95
Total	1,908,905,696.91	2,085,329,223.24

As at 30 June 2021, the Group had no material accounts payable aged more than one year based on the contract date.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Advance from Customers

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Rental and relevant payments	1,380,009,999.89	960,787,153.16
Total	1,380,009,999.89	960,787,153.16

30. Contract Liabilities

(1) Contract liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Charges for the brand consulting and management for the early stage of the project	550,952,324.66	755,247,615.66
Charges for annual brand consulting and management for the project	160,642,374.14	193,732,370.47
Commercial consultation fees and tenant sourcing commissions	289,619,721.37	287,693,224.81
Construction and design service	246,847,036.26	149,778,072.89
Others	951,529,702.13	901,097,591.06
Total	2,199,591,158.56	2,287,548,874.89

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Contract Liabilities (continued)

- (2) The amount and reason for the significant change in the book value during the Reporting Period

Unit: Yuan Currency: RMB

Items	Change amount	Change reason
The brand consulting and management service for the early stage of the project of original projects	(204,295,291.00)	Due to the further progress of the project
Construction and design service	97,068,963.37	Due to advance from customers of the project agreed in the contract
Total	(107,226,327.63)	/

31. Payroll Payable

- (1) Payroll payable presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	553,014,863.25	1,638,082,639.41	1,947,371,212.82	243,726,289.84
II. Retirement benefits – defined contribution plans	7,518,313.75	144,734,556.98	139,095,393.06	13,157,477.67
III. Termination benefits	3,255,447.24	14,694,998.57	17,950,445.81	-
Total	563,788,624.24	1,797,512,194.96	2,104,417,051.69	256,883,767.51

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Payroll Payable (continued)

(2) Short-term compensation presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	528,860,431.06	1,381,291,300.80	1,687,409,669.42	222,742,062.44
II. Staff welfare	312,788.52	75,725,639.50	75,427,212.22	611,215.80
III. Social insurance	10,852,397.27	87,857,914.74	90,837,949.92	7,872,362.09
Including: Medical insurance	10,288,906.45	82,293,416.55	84,967,029.12	7,615,293.88
Work injury insurance	116,876.07	3,441,625.10	3,478,015.96	80,485.21
Maternity insurance	446,614.75	2,122,873.09	2,392,904.84	176,583.00
IV. Housing fund	9,953,889.09	75,954,996.29	76,213,823.88	9,695,061.50
V. Labour union and staff education fund	3,035,357.31	17,252,788.08	17,482,557.38	2,805,588.01
Total	553,014,863.25	1,638,082,639.41	1,947,371,212.82	243,726,289.84

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Payroll Payable (continued)

(3) Defined contribution plan presented

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	7,179,142.76	139,839,154.64	134,329,199.85	12,689,097.55
2. Unemployment insurance premium	339,170.99	4,895,402.34	4,766,193.21	468,380.12
Total	7,518,313.75	144,734,556.98	139,095,393.06	13,157,477.67

32. Taxes Payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
VAT	93,984,575.72	113,288,129.30
Enterprise income tax	533,653,542.70	472,026,330.75
Property tax	47,583,124.49	54,133,784.23
Others	29,574,566.94	31,890,672.91
Total	704,795,809.85	671,338,917.19

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Other Payables

Items presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividends payable	156,566.15	11,079,608.27
Other payables	11,165,143,267.28	8,976,309,037.22
Total	11,165,299,833.43	8,987,388,645.49

Dividends Payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividends payable-Shanghai Liaoman Enterprise Management Consulting Service Center (LIMITED PARTNERSHIP) (上海燎曼企業管理諮詢服務中心(有限合夥))	156,566.15	156,566.15
Dividends payable-Shanghai Liaokai Enterprise Management Consulting Service Center (LIMITED PARTNERSHIP) (上海燎凱企業管理諮詢服務中心(有限合夥))		234,849.22
Dividends payable-Shanghai Chusen Business Consulting Center (LIMITED PARTNERSHIP) (上海楚森商務諮詢中心(有限合夥))		10,688,192.90
Total	156,566.15	11,079,608.27

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Other Payables (continued)

Other payables

(1) Other payables presented by nature of amount

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Amounts due to partners	5,060,063,097.99	2,633,408,701.43
Deposit from tenants	2,427,370,645.17	2,394,737,162.29
Proceeds collected on behalf of the tenants	1,100,192,567.05	1,176,979,759.01
Rental deposits from tenants	687,751,525.37	580,980,073.12
Amounts payable to construction contractors	657,632,780.65	839,211,748.32
Amounts payable for property purchase	335,026,745.87	371,429,592.85
Accrued expenses	318,804,111.43	346,424,787.39
Amounts payable to equity transfer	36,850,242.45	142,937,133.94
Amounts payable to prepaid cards	24,528,159.67	14,705,587.76
Others	516,923,391.63	475,494,491.11
Total	11,165,143,267.28	8,976,309,037.22

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Other Payables (continued)

Other payables (continued)

(2) Significant other payables aged over 1 year

Unit: Yuan Currency: RMB

Items	Closing balance	Reasons for non-payment or reverse
Zhengzhou Huashanghui Holding Co., Ltd. (鄭州華商匯控股有限公司)	130,740,250.03	Not yet paid
Daqing Xusheng Real Estate Development Co., Ltd. (大慶旭生房地產開發有限公司)	84,645,637.43	Not yet paid
Total	215,385,887.46	/

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Non-current Liabilities Due Within One Year

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term loans due within one year	3,198,240,467.41	4,258,554,857.19
Bonds payable due within one year	3,543,052,370.58	4,033,264,470.43
Lease liabilities due within one year	758,213,615.58	696,027,069.47
Long-term loans due within one year – interest	70,147,925.49	51,864,659.11
Bonds payable due within one year – interest	169,305,757.29	213,894,153.03
Financial lease payables due within one year	284,721,385.85	192,084,555.22
Commercial mortgage backed securities due within one year – principal	5,721,771,646.98	2,451,753,879.27
Total	13,745,453,169.18	11,897,443,643.72

35. Other Current Liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Output VAT to be transferred	250,069,520.58	297,567,165.99
Asset-backed securities	–	439,283,229.30
Total	250,069,520.58	736,850,395.29

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Long-term Loans

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Mortgage loans	7,941,250,017.85	8,654,687,256.72
Credit loans	–	97,000,000.00
Mortgage and guaranteed loans	5,899,747,624.05	5,592,041,776.44
Mortgage and pledge loans	5,913,799,687.50	5,757,725,594.28
Mortgage and pledge and guaranteed loans	2,895,670,000.00	2,110,975,000.00
Total	22,650,467,329.40	22,212,429,627.44

Description of the classification of long-term loans:

Pledge loans: Represent the loans obtained by pledging all of the operating revenue of the shopping malls and the equity of our Group during the loan period.

Mortgage loans: Represent the loans obtained by securing with the investment properties.

Credit loans: Represent the loans obtained by providing guarantees by the companies within the Group or loans obtained by the Group from banks with its own reputation.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Long-term Loans (continued)

Mortgage and pledge Loans: Represent the loans obtained by securing with the investment properties and pledging with all of the operating revenue of the shopping malls or the equity of our Group during the loan period.

Mortgage and guaranteed loans: Represent the loans obtained by securing with the investment properties and provided guarantee by the related parties out of the consolidation or third parties.

Mortgage, pledge and guaranteed loans: Represent the loans obtained by securing with the investment properties, pledging with cash and bank balances and all of the operating revenue of the shopping malls during the loan period.

As at the end of this year, there were no long-term loans that were overdue.

Others, including interest rate intervals:

As at 30 June 2021, the aforesaid borrowings carried interest at 4.25% to 8.50% per annum (31 December 2020: 4.28% to 7.36%).

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Bonds Payable

(1) Bonds payable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
First tranche of the medium-term notes of 2019 of Red Star Macalline Group Corporation Ltd. (Note: 3)	–	499,052,038.99
Public offering of Corporate Bonds of 2019 of Red Star Macalline Group Corporation Ltd. (First tranche) (type 2) (Note: 4)	829,000.00	–
First tranche of the medium-term notes of 2020 of Red Star Macalline Group Corporation Ltd. (Note: 5)	498,657,747.30	498,227,243.10
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) (Note: 6)	–	498,108,717.15
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (Second tranche) (Note: 7)	–	497,655,522.60
Public offering to professional investors of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) (type 1) (Note: 8)	497,326,467.59	496,371,414.35
USD Bonds of 2017 of Hong Kong Red Star Macalline (5-year) (Note: 2)	1,927,838,898.59	1,943,219,775.16
Total	2,924,652,113.48	4,432,634,711.35

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Bonds Payable (continued)

(2) Changes in bonds payable (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)

Unit: Yuan Currency: RMB

Name of bonds	Par value	Issue date	Maturity	Issue amount	Opening balance	Issued in the period	Accrued interest at par value	Amortization of premium and for discount	Repayments in the period	Closing balance
Public offering of Corporate Bonds of 2016 of Red Star Macalline Group Corporation Ltd. (First tranche) (5-year) (Note: 1)	100.00	13 July 2016	5 years	1,483,202,830.19	46,800,000.00	-	1,263,600.00	-	1,263,600.00	46,800,000.00
Public offering of Corporate Bonds of 2016 of Red Star Macalline Group Corporation Ltd. (First tranche) (7-year) (Note: 1)	100.00	13 July 2016	7 years	1,476,127,358.48	1,495,663,124.04	-	39,675,000.00	4,316,875.96	39,675,000.00	1,500,000,000.00
First tranche of the medium-term notes of 2018 of Red Star Macalline Group Corporation Ltd. (Note: 3)	100.00	24 October 2018	3 years	494,828,301.89	498,471,083.58	-	15,450,000.00	917,349.90	15,450,000.00	499,388,433.48
First tranche of the medium-term notes of 2019 of Red Star Macalline Group Corporation Ltd. (Note: 3)	100.00	25 January 2019	3 years	497,508,490.57	499,052,038.99	-	14,375,000.00	435,310.69	14,375,000.00	499,487,349.68
Public offering of Corporate Bonds of 2019 of Red Star Macalline Group Corporation Ltd. (First tranche) (type 2) (Note: 4)	100.00	10 June 2019	4 years	1,987,756,792.45	1,992,310,262.81	-	44,587,029.29	8,518,737.19	44,587,029.29	829,000.00
First tranche of the medium-term notes of 2020 of Red Star Macalline Group Corporation Ltd. (Note: 5)	100.00	20 January 2020	3 years	497,414,150.94	498,227,243.10	-	14,250,000.00	430,504.20	14,250,000.00	498,657,747.30
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) (Note: 6)	100.00	10 March 2020	3 years	496,793,301.89	498,108,717.15	-	12,375,000.00	808,568.56	12,375,000.00	498,917,285.71
Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (Second tranche) (Note: 7)	100.00	3 June 2020	3 years	496,726,320.75	497,655,522.60	-	12,900,000.00	803,779.09	12,900,000.00	498,459,301.69
Public offering to professional investors of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) (type 1) (Note: 8)	100.00	30 October 2020	3 years	496,053,063.27	496,371,414.35	-	15,500,000.00	955,053.24	15,500,000.00	497,326,467.59
USD Bonds of 2017 of Hong Kong Red Star Macalline (5-year) (Note: 2)	1,000.00	21 September 2017	5 years	1,937,306,895.63	1,943,219,775.16	-	32,704,256.25	(2,321,262.85)	32,704,256.25	1,927,838,898.59
Less: Bonds payable due within one year					(4,033,264,470.43)					(3,543,052,370.56)
Total	/	/	/	9,863,717,506.06	4,432,634,711.35	-	203,079,885.54	14,864,915.96	203,079,885.54	2,924,652,113.48

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Bonds Payable (continued)

(3) Description of the other financial instrument classified as financial liabilities

Note 1: The Company issued Corporate Bonds of 2016 of Red Star Macalline Group Corporation Ltd. (First tranche) in July 2016. The above – mentioned bonds are composed of two types. Among them, the first type of bonds is abbreviated as “16 Hongmei 01”. The issue price is RMB100/100 face value. The interest rate is fixed interest rate, the coupon rate is 3.5%, and the bond duration is 5 years, interest is paid annually, with the option to adjust the coupon rate and investors’ resale option at the end of the third year. The effective number of resale declarations of 16 Hongmei 01 for the year is 14,532,000, the resale amount is RMB1,453,200,000 (excluding interest), the remaining custodial amount is 468,000, and the face value is RMB46,800,000.00. During the final two years of the maturity of the bond (from 13 July 2019 to 12 July 2021), the coupon rates of the bonds is adjusted to 5.40%, which will expire in July 2020 and has been reclassified to non-current liabilities due within one year RMB46,800,000.00 in 2020. The second type of bond is abbreviated as “16 Hongmei 02”, the issue price is RMB100/100 face value, interest is calculated by interest – bearing fixed interest rate, the coupon rate is 4.29%, the bond duration is 7 years, and the interest is paid annually. Since 13 July, 2018, the coupon rates have been adjusted from 4.29% to 5.29%. The option to adjust the coupon rate and investors’ resale option at the end of the fifth year(2021) are reclassified to non-current liabilities due within one year RMB1,500,000,000.00.

Note 2: Hong Kong Red Star Macalline Global Home Furnishing Company Limited, a subsidiary of the Group, issued the US\$-denominated bonds totally US\$300 million in 2017, the bond code: B2022(5278), with a fixed rate of interest, at a coupon rate of 3.375%. The maturity of the bond is five years, and shall be paid semi-annually.

Note 3: On 12 September 2018, the Company received the Notice for Acceptance of Registration (Zhong Shi Xie Zhu [2018] No. MTN506) issued by National Association of Financial Market Institutional Investors (hereafter “NAFMII”), which indicating its consent for acceptance of the registration for the issuance of the medium-term notes by the Company, with the registered amount of RMB5 billion, and the registered quota would be effective within the two years since the date of the issuance of the Notice for Acceptance of Registration by “NAFMII”. On May 22, 2019, in order to better play the role of non-financial enterprise debt financing instruments in the company’s overall fund utilization, after the company reassessed its debt financing instrument structure, the Company applied to the NAFMII to reduce the amount of registration of medium-term notes under the aforementioned “Notice for Acceptance of Registration” (Zhong Shi Xie Zhu [2018] MTN506). On June 6, 2019, the Group received “Zhongshi Xiezhu (2019) No. 567-Letter on Reducing the Registration Amount of Medium-Term Notes of Red Star Macalline Group Co., Ltd.”, which reduced the amount of registration of medium-term notes of the Group is RMB3 billion, and the remaining effective registration amount is RMB2 billion. In 2018, the Company had successfully issued the first tranche of the medium-term notes of 2018, which referred as “18 Red Star Home Furnishing MTN001” (bond code:101801197), with the issuance price of RMB100 par value, at an issuance rate of 6.18%. The bonds shall be payable annually in three years. The amount reclassified to non-current liabilities due within one year was RMB499,388,433.48.

In 2019, the Group issued the “2019 First Tranche Medium-Term Notes”, the bond abbreviation “19 Macalline MTN001”, bond code 101900126, the issue price is RMB100/100 face value, with face value US\$300 million, the issue rate is 5.75%, and the bond duration is 3 year. The amount reclassified to non-current liabilities due within one year was RMB499,487,349.68.

Note 4: In 2019, the Group publicly issued Corporate Bonds of 2019 of Red Star Macalline Group Corporation Ltd. (First tranche) (hereinafter referred to as the “2019 Corporate Bonds”), which classified into two types. The total issuance scale of the type 1 and type 2 does not exceed RMB2 billion (including RMB2 billion). In this tranche of bonds issue, the option to call back among varieties is introduced, and the call back percentage is not limited. The issue price is 100 yuan/sheet, which is issued in the form of book keeping to qualified investors offline. Type 1 is 5-year (with the issuer’s option to adjust the coupon rate and bondholders’ resale option at the end of the third year), and Type 2 is 4-year (with the issuer’s option to adjust the coupon rate and bondholders’ resale option at the end of the second year). In 2019, the actual issuance scale of corporate bonds type 2 was RMB2.0 billion, and the coupon rate was 5.35%; the type 1 was not issued. The Type 1 of the Bonds has not been issued. On 11 June 2021, the sell back registration has started. The remaining portion which does not sell back was RMB829,000.00.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Bonds Payable (continued)

(3) Description of the other financial instrument classified as financial liabilities (continued)

Note 5: The Group's issuance in 2020. On 6 June 2019, the Company received the "Letter on Reducing the Registration Amount of Medium-Term Notes of Red Star Macalline Group Co., Ltd." (Zhong Shi Xie Zhu No. [2019]567) issued by NAFMII, and agreed to reduce the registration amount of RMB3 billion of medium-term notes under the aforementioned "Notice for Acceptance of Registration" (Zhong Shi Xie Zhu No. [2018]MTN506). Under the "Notice for Acceptance of Registration" (Zhong Shi Xie Zhu No. [2018]MTN506), the original registered amount is RMB5 billion, after being reduced by RMB3 billion, the remaining effective registration amount is RMB2 billion. From 16 January 2020 to 17 January 2020, the Company successfully issued the first tranche of 2020 medium-term notes, "Medium-term notes of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche)", referred to as "20 Macalline MN001", which has a duration of 3 years, and the value date is 20 January 2020, and the redemption date is 20 January 2023. The total planned issuance scale is RMB500 million, and the actual issuance scale is RMB500 million, with an interest rate of 5.70%, and an issue price of RMB100/100 face value.

Note 6: The Group issued the "Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche)" in March 2020. The Bond was abbreviated as "20 Hongmei 01" with the issue price of RMB100 par value. The Bond has a duration of 3 years, with interest paid annually and the option to adjust the coupon rate and investors' resale option at the end of the second year (2022). The actual issuance scale was RMB500 million, with a coupon rate of 4.95%. The amount reclassified to non-current liabilities due within one year was RMB498,917,285.71.

Note 7: The Group issued the "Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (Second tranche)" in June 2020. The Bond was abbreviated as "20 Hongmei 02" with the issue price of RMB100 par value. The Bond has a duration of 3 years, with interest paid annually and the option to adjust the coupon rate and investors' resale option at the end of the second year (2022). The actual issuance scale was RMB500 million, with a coupon rate of 5.16%. The amount reclassified to non-current liabilities due within one year was RMB498,459,301.69.

Note 8: The Group issued the "Public offering of Corporate Bonds of 2020 of Red Star Macalline Group Corporation Ltd. (First tranche) to professional investors" in October 2020. The Bond has an issue price of RMB100 par value and a duration of 3 years, with interest paid annually and the option to adjust the coupon rate and investors' resale option at the end of the second year (2022). The actual issuance scale was RMB500 million, with a coupon rate of 6.20%.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Lease Liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease Liabilities	4,064,261,034.57	4,082,933,276.21
Total	4,064,261,034.57	4,082,933,276.21

39. Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	701,382,218.28	712,856,318.61
Total	701,382,218.28	712,856,318.61

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Amounts due to partners (Note 1)	579,679,476.83	569,846,252.96
Financial lease payables	121,702,741.45	143,010,065.65
Total	701,382,218.28	712,856,318.61

Others:

Note 1: Amounts due to partners are the borrowings provided by the minority shareholders of certain subsidiaries of the Group, and shall be repaid by agreements after the completion of relevant cooperation projects and existing surplus or be repaid on demands after one year. Therefore, such amounts shall be recorded as long-term payables.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Deferred Income

Deferred income

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Formation reasons
Government grant	200,069,511.89	–	19,323,449.12	180,746,062.77	
VAT additional deduction (Note 1)	24,873,718.01	19,081,504.93	11,871,818.39	32,083,404.55	
Total	224,943,229.90	19,081,504.93	31,195,267.51	212,829,467.32	/

Note 1: VAT additional deduction means that each single entity does not have enough output tax to be deducted, and the corresponding 10% additional deduction of VAT input tax is recognized as deferred income. The deferred income can be used from 1 April 2019 to 31 December 2021.

Items related to government grants:

Unit: Yuan Currency: RMB

Liability item	Opening balance	Additions of grants for the period	Accounted in non-operating income	Recognized in other income for the period	Other changes	Closing balance	Related to assets/profit
Subsidy for land supporting expenses	200,069,511.89	–	–	3,099,369.12	16,224,080.00	180,746,062.77	Related to assets

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other Non-current Liabilities

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Charges for the brand consulting and management for the early stage of the project (Note 1)	814,822,826.49	794,760,971.72
Commercial mortgage-backed securities (Note 2)	1,012,010,038.23	3,833,098,699.03
Total	1,826,832,864.72	4,627,859,670.75

Others:

Note 1: Representing the contract liabilities of the Company recognized based on management service contract, as the management expected that it would be more than 1 year to recognize the corresponding revenue, these amounts were included in other non-current liabilities.

Note 2: The Company issued the home furnishing shopping mall asset-backed securities, namely "Red Star Macalline Asset-Backed Special Project", on 12 July 2018. Such asset-backed special project was pledged with the assets of two shopping malls of the Group in Beijing and Yantai and their rental income rights, which included Class A Preferred Securities (securities abbreviation: "18 Hongmei A1", securities code: 156486), Class B Preferred Securities (securities abbreviation: "18 Hongmei A2", securities code: 156487) and subordinated Securities (securities abbreviation: "18 Hongmei Ci", securities code: 156488). 18 Hongmei A1 had an issuance size of RMB2,289 million, with an annualized return of 5.80% and a maturity of 18 years, the principal and interest of which shall be repaid annually. 18 Hongmei A2 had an issuance size of RMB211 million, with an annualized return of 6.30% and a maturity of 18 years, the principal of which shall be repaid in a one-off manner upon maturity. The Group, as a posterior investor of 18 Hongmei Ci, subscribed RMB100 million with no annualized return and a maturity of 18 years. RMB2,362,729,630.93 of 18 Hongmei A1 and 18 Hongmei A2 due have been included in the non-current liabilities due within one year in 2020.

The Company issued the first tranche of asset-backed notes of 2019 of Red Star Macalline Group Corporation Ltd. on 7 May 2019. The asset-backed notes were pledged with the assets of two shopping malls of the Group in Changzhou and their rental income rights, which included priority notes (securities abbreviation: "19 Macalline ABN001 Youxian", securities code: 081900208) and subordinated notes (securities abbreviation: "19 Macalline ABN001 Ci", securities code: 081900209). 19 Macalline ABN001 Youxian had an issuance size of RMB1,290 million, with an annualized return of 6.30% and a maturity of 18 years, the principal and interest of which shall be repaid annually. The Group, as a posterior investor of 19 Macalline ABN001 Ci, subscribed RMB10 million with no annualized return and a maturity of 18 years. RMB1,263,107,511.52 of 19 Macalline ABN001 Preferred due within one year have been included in the non-current liabilities due within one year.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Other Non-current Liabilities (continued)

Others: (continued)

Note 2: (continued)

The Company issued the home furnishing shopping mall asset-backed securities, namely “Red Star Macalline Asset-Backed Special Project”, on 1 August 2019. Such asset-backed special project was pledged with the assets of two shopping malls of the Group in Beijing and Wuhan and their rental income rights, which included Class A Preferred Securities (securities abbreviation: “19 Hongmei A”, securities code: 159557), Class B Preferred Securities (securities abbreviation: “19 Hongmei B”, securities code: 159558) and subordinated Securities (securities abbreviation: “19 Hongmeici”, securities code: 159559). 19 Hongmei A had an issuance size of RMB1.7 billion, with an annualized return of 5.80% and a maturity of 21 years, the principal and interest of which shall be repaid semi-annually. 19 Hongmei B had an issuance size of RMB410 million, with an annualized return of 7% and a maturity of 21 years, the interest of which shall be repaid semi-annually. and the principal of which shall be repaid at one time when due. The Group, as a posterior investor of 19 Hongmeici, subscribed RMB150 million with no annualized return and a maturity of 21 years. RMB2,087,744,504.53 of 19 Hongmei A and 19 Hongmei B due within one year have been included in the non-current liabilities due within one year.

The Company issued the home furnishing shopping mall asset-backed securities, namely “Deppon-Wuxi Red Star Macalline Home Living Plaza No. 1 Store Asset-backed Special Project” on 22 September 2020. Such asset-backed special project was pledged with the assets of shopping mall of the Group in Wuxi and the rental income rights, which included Class A Preferred Securities and Class B Preferred Securities. Class A Preferred Securities had an issuance size of RMB420 million, with an annualized return of 5.50% and a maturity of 18 years, the principal and interest of which shall be repaid semi-annually. Class B Preferred Securities had an issuance size of RMB110 million, with an annualized return of 6 % and a maturity of 18 years, the principal of which shall be repaid in a one-off manner upon maturity. RMB8,190,000 of Class A Preferred Securities due within one year have been included in the non – current liabilities due within one year.

The company listed on the CFAE 21CFZR0025 “Red Star Macalline Group Corporation Ltd.-2021 first tranche of debt financing plan” (21S Red Star Macalline ZR001) on 5 January 2021. The listing amount totalled RMB500 million for a term of 3 years. The interest commencement date was 7 January 2021 and the interest rate was 4% . The interest was paid annually on January 7 in the bond duration. The principal of which shall be repaid in a one-off manner upon maturity

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Share Capital

Unit: Yuan Currency: RMB

	Opening balance	Increase or decrease in the period (+, -)				Sub-total	Closing balance
		Issue of new shares	Shares giving	Capital reserve transferred	Others		
Total	3,905,000,000.00					3,905,000,000.00	

Others:

	Opening balance	Changes during the year				Sub-total	Closing balance
		Issue of new shares	Shares giving	Reserve transferred to shares	Others		
I. Restricted shares							
1. State ownership							
2. State-owned corporate shares							
3. Other domestic shares	2,728,347,349.00			(2,728,347,349.00)	(2,728,347,349.00)	-	
Including: Domestic non-stated-owned corporate shares	2,728,347,349.00			(2,728,347,349.00)	(2,728,347,349.00)	-	
Domestic natural person shares							
Total restricted shares	2,728,347,349.00			(2,728,347,349.00)	(2,728,347,349.00)	-	
II. Unrestricted shares							
1. RMB-denominated ordinary shares	435,367,017.00			2,728,347,349.00	2,728,347,349.00	3,163,714,366.00	
2. Overseas listed foreign shares	741,285,634.00					741,285,634.00	
Total unrestricted shares	1,176,652,651.00			2,728,347,349.00	2,728,347,349.00	3,905,000,000.00	
Total	3,905,000,000.00					3,905,000,000.00	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Capital Reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	3,684,105,172.99	–	–	3,684,105,172.99
Other capital reserve	(35,985,047.17)	8,054,949.44	–	(27,930,097.73)
Total	3,648,120,125.82	8,054,949.44	–	3,656,175,075.26

Others, including changes in the period and reason for the changes:

The increase in other capital reserve was due to the impact of the employee stock ownership plans implemented by the Group.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Other Comprehensive Income

Unit: Yuan Currency: RMB

Items	Opening balance	Amount before income tax in the current period	Less: Previously included in other comprehensive income converted to profit or loss for the current period	Amount incurred in the current period			After-tax amount attributable to non-controlling interests	Closing balance
				Less: Previously included in other comprehensive income converted to retained earnings for the current period	Less: Income tax expenses	After-tax amount attributable to the Company		
I. Other comprehensive income that will not be reclassified to profit or loss	1,573,695,780.79	1,660,739,428.29	(238,922,379.04)	(296,790,620.50)	1,125,571,402.20	(544,973.45)	2,699,267,182.99	
Including: Changes arising from the remeasurement of defined benefit plan								
Other comprehensive income that can not be reclassified to profit or loss under equity method								
Change in fair value of other investment in equity instruments	1,573,695,780.79	1,660,739,428.29	(238,922,379.04)	(296,790,620.50)	1,125,571,402.20	(544,973.45)	2,699,267,182.99	
Change in fair value of credit risk of corporate								
II. Other comprehensive income that will be reclassified to profit or loss	146,890,180.95	13,674,145.71		(3,078,584.36)	10,595,561.35		157,485,742.30	
Including: Other comprehensive income that may be reclassified to profit or loss under equity method								
Changes in fair value of other debt investments								
Financial assets reclassified to other comprehensive income								
Credit impairment provisions for other debt investment								
Hedging reserves from cash flows								
Exchange differences arising upon translation of financial statements denominated in foreign currencies	1,272,569.21	(2,091,754.24)			(2,091,754.24)		(819,185.03)	
Changes in fair value of hedging	67,954,058.62	10,786,132.87		(1,833,642.59)	8,952,490.28		76,906,548.90	
Transfer from owner-occupied properties to investment properties measured at fair value	77,663,553.12	4,979,767.08		(1,244,941.77)	3,734,825.31		81,398,378.43	
Total of other comprehensive income	1,720,585,961.74	1,674,413,574.00	(238,922,379.04)	(299,869,204.86)	1,136,166,963.55	(544,973.45)	2,856,752,925.29	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Surplus Reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	2,076,486,432.95	-	-	2,076,486,432.95
Total	2,076,486,432.95	-	-	2,076,486,432.95

46. Retained Earnings

Unit: Yuan Currency: RMB

Items	Current period	Previous year
Closing balance of retained earnings for previous period before adjustment	36,213,026,423.36	34,486,715,762.57
Opening balance of retained earnings after adjustment	36,213,026,423.36	34,486,715,762.57
Add: Net profit attributable to owners of the Company for the current period	1,731,901,543.75	1,730,581,791.56
Appropriation to discretionary surplus reserve		121,667,865.72
Dividend payable for ordinary shares		898,150,000.00
Other comprehensive income converted to retained earnings	(238,922,379.04)	(1,015,546,734.95)
Closing balance of retained earnings	38,183,850,346.15	36,213,026,423.36

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. Retained Earnings (continued)

Breakdown of the adjustments to the opening balance of retained earnings:

1. Due to retrospective adjustment under Accounting Standard for Business Enterprises and related new regulations, the opening balance of retained earnings was affected by RMB0.
2. Due to changes in accounting policies, the opening balance of retained earning was affected by RMB0.
3. Due to the correction of major accounting errors, the opening balance of retained earning was affected by RMB0.
4. Due to the change of scope after merger under the same control, the opening balance of retained earning was reduced by RMB0.
5. Due to other adjustments, the opening balance of retained earning was affected by RMB0.

47. Revenue and Cost of Sales

(1) Revenue and cost of sales

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Principal business	7,302,205,394.39	2,660,825,085.40	5,896,159,272.03	1,960,692,987.55
Other business	200,391,144.19	70,801,060.14	128,281,593.98	33,907,260.67
Total	7,502,596,538.58	2,731,626,145.54	6,024,440,866.01	1,994,600,248.22

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Revenue and Cost of Sales (continued)

(2) Revenue from contracts

Unit: Yuan Currency: RMB

Breakdown of contracts	Entrusted Management related business segment	Construction and design business segment	Sales of good and home decoration business segment	Other business segments	Total
By operating region					
Mainland China	1,676,074,613.59	763,101,229.34	573,725,462.84	572,017,990.67	3,584,919,296.44
Total	1,676,074,613.59	763,101,229.34	573,725,462.84	572,017,990.67	3,584,919,296.44

Description of revenue from contracts:

	2021	2020
Revenue from the brand consulting and management service for the early stage of the project	403,990,268.96	440,472,175.76
Revenue from annual brand consulting and management service for the project	1,063,007,813.21	980,618,356.10
Revenue from commercial management and consultation fees for construction project	26,415,094.34	84,125,340.75
Revenue from commercial consultation fees and tenant sourcing commissions	182,661,437.08	323,725,834.88
Revenue from construction and design service	763,101,229.34	640,753,919.60
Revenue from home decoration related services and sales of goods	573,725,462.84	182,300,235.25
Other revenues	572,017,990.67	344,532,479.52
Total	3,584,919,296.44	2,996,528,341.86

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Revenue and Cost of Sales (continued)

(3) Description of performance obligations

Information in relation to the Group's performance obligations is as follows:

Revenue from the brand consulting and management service for the early stage of the project

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from annual brand consulting and management service for the project

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from commercial management and consultation fees for construction project

The Group fulfills the performance obligations when providing relevant service and obtaining the confirmation letter for relevant services issued by customers. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from commercial consultation fees

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Revenue and Cost of Sales (continued)

(3) Description of performance obligations (continued)

Revenue from tenant sourcing commissions

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from construction and design service

The Group performs the performance obligations when providing relevant service. Part of the contract consideration generally needs to be paid before the performance obligations of the contract take place and the remaining is paid in accordance with the contract terms after the project is settled. Customer generally withholds a certain percentage of retention money which is generally paid upon the expiration of retention period.

Revenue from sales of goods

The Group performs performance obligations when delivering goods to customers. The contract consideration generally needs to be pre-paid.

Revenue from decoration

The Group performs the performance obligations when providing relevant service. Part of the contract consideration generally needs to be paid before the performance obligations of the contract take place and the remaining is paid in accordance with the contract terms after the project is settled.

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Revenue and Cost of Sales (continued)

(3) Description of performance obligations (continued)

Revenue from strategic consultation fees

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Joint marketing income

The Group performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

(4) Apportionment to the remaining performance obligations

The amount of revenue corresponding to the performance obligations that were signed but not fulfilled or not completely fulfilled at the end of the reporting period was RMB21,258,829,730.92, of which RMB4,383,405,813.49 was estimated to be recognised as revenue during the period from July 2021 to June 2022.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Taxes and Surcharges

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	19,518,227.36	17,319,898.19
Education surcharge	11,768,016.32	15,970,303.50
Property tax	146,348,802.66	117,284,249.02
Land use tax	14,809,286.11	11,065,735.18
Stamp duty	5,253,796.44	6,087,798.67
Others	10,999,222.92	4,208,003.49
Total	208,697,351.81	171,935,988.05

Others:

Nil

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. Sale Expenses

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Advertising and promotional expenses	463,377,820.14	342,738,313.22
Energy and maintenance expenses	218,259,014.14	181,420,109.41
Salary, bonus and benefits	84,043,214.03	57,965,830.58
After-sales service expenses	12,657,121.00	15,701,566.39
Office and administrative expenses	14,619,343.25	13,762,189.03
Depreciation and amortization	16,507,489.97	8,018,842.54
Others	19,243,482.49	11,641,999.41
Total	828,707,485.02	631,248,850.58

Others:

Nil

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Management Expenses

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Salary, bonus and benefits	489,784,657.82	382,198,422.77
Office and administrative expenses	167,338,815.30	154,963,392.42
Other professional services expenses	73,788,370.61	61,194,617.59
Depreciation and amortization	83,396,814.01	86,940,278.35
Network communications fees	35,340,379.99	40,086,550.78
Others	32,392,415.06	19,077,354.52
Total	882,041,452.79	744,460,616.43

Others:

Nil

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Research and Development Costs

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Salary, bonus and benefits	24,463,219.34	9,635,292.96
Depreciation and amortization	1,178,189.49	350,576.71
Others	1,294,765.14	857,932.99
Total	26,936,173.97	10,843,802.66

Others:

Nil

52. Financial Expenses

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,553,402,452.97	1,494,947,836.22
Less: Interest income	(118,700,167.43)	(79,419,260.20)
Less: Amounts to interest capitalization	(198,823,691.59)	(164,785,561.32)
Exchange gains and losses	(44,257,319.62)	75,872,756.72
Others	27,836,727.28	21,744,543.17
Total	1,219,458,001.61	1,348,360,314.59

Others:

The amounts to interest expenses capitalization have been included in investment properties.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

53. Other Income

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Subsidy for land supporting expenses	3,099,369.12	2,953,275.20
Other government grants relating to daily operational activities	49,713,520.64	83,062,080.22
Total	52,812,889.76	86,015,355.42

Others: Other government grants relating to daily activities are as follows:

	Amount incurred in the current period	Amount incurred in the previous period	Related to assets/profit
Subsidies (Note 1)	33,204,259.01	29,355,166.99	Related to profit
Special government grants (Note 2)	16,250,393.26	24,531,659.68	Related to profit
Reward support (Note 3)	258,868.37	29,175,253.55	Related to profit
	49,713,520.64	83,062,080.22	

Note 1: Subsidy mainly refers to the tax refund and subsidies received from the government.

Note 2: Special government grants mainly refer to the special industry-supporting fund received from the government.

Note 3: Reward support mainly refer to other policy reward support funds received from the government.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Investment Income

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity interest investment income calculated by equity method	12,486,427.01	(1,684,944.69)
Dividend income from investment in other equity instruments during the period of holding	25,448,389.04	21,373,624.17
Investment gain from disposal of financial assets held for trading	(25,460,720.81)	(5,793,149.73)
Investment gain from acquisition of associates in the current period	–	126,196,808.81
Investment gain from disposal of subsidiaries	750,639,818.00	1,035,517.01
Investment gain from disposal of associates	12,786,208.36	–
Investment gain from disposal of other non-current financial assets	–	1,019,859.79
Bonuses received from other non-current financial assets	2,800,000.00	438,940.33
Total	778,700,121.60	142,586,655.69

55. Gains from changes in fair value

Unit: Yuan Currency: RMB

Sources of gains from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	23,017,058.89	(1,764,525.71)
Investment properties measured at fair value	212,750,860.35	295,889,923.71
Other non-current financial assets	(8,750,000.00)	2,473,800.00
Total	227,017,919.24	296,599,198.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Impairment Losses of Credit

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses of accounts receivable	112,586,794.69	6,672,066.66
Bad debt losses of other receivables	21,321,400.11	13,383,834.67
Bad debt losses of long-term receivables	(267,847.97)	(2,201,826.02)
Impairment losses of non-current assets due within one year	2,667,604.47	(153,546.29)
Impairment losses of other non-current assets	(264,133.65)	(3,248,234.35)
Impairment losses of other current assets	15,720,795.32	(10,955,902.66)
Total	151,764,612.97	3,496,392.01

57. Impairment Losses of Assets

Unit: Yuan Currency: RMB

Items	Amount for the period	Amount for previous period
Impairment losses of contract assets	7,662,383.27	36,898.61
Total	7,662,383.27	36,898.61

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Gains from Disposal of Assets

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Gains from disposal of fixed assets	15,671,926.81	(21,769,125.68)
Total	15,671,926.81	(21,769,125.68)

59. Non-operating Income

Unit: Yuan Currency: RMB

Items	Amount for the period	Amount for previous period	Amount included in non-recurring profit or loss for the current period
Income from default compensation	1,575,555.37	1,246,412.27	1,575,555.37
Others (Note)	16,780,605.15	16,102,892.28	16,780,605.15
Total	18,356,160.52	17,349,304.55	18,356,160.52

Note: Others mainly refer to other income not relating to ordinary operation such as accounts without payment.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Non-operating Expenses

Unit: Yuan Currency: RMB

Items	Amount for the period	Amount for previous period	Amount included in non-recurring profit or loss for the current period
External donations	199,689.38	27,905,000.00	199,689.38
Compensation expenses	8,257,591.68	45,103,087.50	8,257,591.68
Others	10,860,765.04	10,511,234.02	10,860,765.04
Total	19,318,046.10	83,519,321.52	19,318,046.10

61. Income Tax Expenses

(1) Table of income tax expenses

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Current income tax expenses	326,937,907.07	299,362,556.12
Deferred income tax expenses	285,921,410.61	118,818,819.38
Tax filling	38,937,737.53	(15,715,268.25)
Total	651,797,055.21	402,466,107.25

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

61. Income Tax Expenses (continued)

(2) Reconciliation of income tax expenses to the accounting profit

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profits	2,518,943,903.43
Income tax expenses calculated based on statutory/applicable tax rate	629,735,975.86
Impact of different tax rates applicable to subsidiaries	(94,060,547.54)
Impact of adjustment of income tax of previous periods	38,937,737.53
Impact of non-taxable income	(4,549,434.02)
Impact of non-deductible costs, expenses and losses	7,466,418.47
Impact of utilising deductible loss of deferred tax assets unrecognized in previous periods	(202,399,162.00)
Impact of deductible temporary difference or deductible loss of deferred tax assets unrecognised in current period	285,236,221.79
Profits and losses attributable to joint ventures and associates	(5,570,983.20)
Tax impact of disposal of subsidiaries	(2,999,171.68)
Income tax expenses	651,797,055.21

62. Other comprehensive income

Please see "Financial Reports V.44. Other comprehensive income" for details.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Items in the Cash Flow Statements

(1) Other cash received in connection with operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Deposits received	221,362,798.58	68,557,031.75
Net proceeds collected and paid on behalf of others	–	1,102,175,816.13
Non-operating income and government grants	71,169,050.28	84,121,961.65
Interest income	16,294,396.13	37,488,979.34
Reserves with central bank	4,223,566.44	36,349,698.69
Others	139,035,133.51	–
Total	452,084,944.94	1,328,693,487.56

(2) Other cash paid in connection with operating activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Payment of expenses and other proceeds	1,101,043,484.23	1,217,236,303.13
Net proceeds collected and paid on behalf of others	151,920,652.72	–
Bank charges and other expenses	27,836,727.29	5,141,015.67
Non-operating expenses	19,318,046.10	83,519,321.52
Total	1,300,118,910.34	1,305,896,640.32

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Items in the Cash Flow Statements (continued)

(3) Other cash received in connection with investing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Project-related current account	3,603,098,046.64	527,379,287.59
Recovery of the project-related entrusted loan	60,000,000.00	308,651,735.76
Interest income from loans	38,143,987.56	81,944,739.43
Redemption of the wealth management products	72,035,807.75	22,506,030.18
Redemption of restricted funds	242,311,114.86	19,228,357.33
Redemption of fixed bank deposits due after over 3 months	7,973,243.42	181,762,704.83
Total	4,023,562,200.23	1,141,472,855.12

(4) Other cash paid in connection with investing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Project-related current account	812,913,774.41	1,890,768,060.53
Granting the project-related entrusted loan	113,491,973.57	80,500,000.00
Purchase of wealth management products	688,904,293.68	–
Payment of restricted funds	1,819,502,791.40	42,213,239.47
Fixed bank deposits due after over 3 months	15,000,000.00	323,706,481.36
Total	3,449,812,833.06	2,337,187,781.36

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Items in the Cash Flow Statements (continued)

(5) Other cash received in connection with financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Project-related current account	1,085,356,894.81	–
Total	1,085,356,894.81	–

(6) Other cash paid in connection with financing activities

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the previous period
Project-related current account	811,506,166.31	105,389,397.90
Acquisition of non-controlling interests	–	189,150,543.39
Rental paid for leased Portfolio Shopping Malls	369,162,995.09	225,718,737.17
Total	1,180,669,161.40	520,258,678.46

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

64. Supplementary Information of Cash Flow Statements

(1) Supplementary information of cash flow statements

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1.Reconciliation of net profits to cash flow from operating activities:		
Net profits	1,867,146,848.22	1,154,253,714.07
Add: Impairment allowance of assets	7,662,383.27	36,898.61
Impairment losses of credit	151,764,612.97	3,496,392.01
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	78,550,927.23	90,966,059.34
Amortization of right-of-use assets	356,932,874.38	231,460,394.12
Amortization of intangible assets	23,474,178.20	29,474,969.60
Amortization of long-term prepaid expenses	80,090,984.39	78,461,561.53
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	(15,671,926.81)	21,769,125.68
Losses from changes in fair value ("-" for gains)	(227,017,919.24)	(296,599,198.00)
Financial expense ("-" for gains)	1,147,107,005.52	1,363,358,973.71
Investment losses ("-" for gains)	(778,700,121.60)	(142,586,655.69)
Decrease in deferred income tax assets ("-" for increase)	51,335,980.05	(193,937,776.51)
Increase in deferred tax liabilities ("-" for decrease)	153,582,236.00	267,267,155.22
Decrease in inventories ("-" for increase)	(26,454,158.27)	(10,980,603.11)
Decrease in operating receivables ("-" for increase)	(688,268,542.02)	(163,451,333.66)
Increase in operating payables ("-" for decrease)	(97,759,198.59)	(1,367,094,872.71)
Net cash flows from operating activities	2,083,776,163.70	1,065,894,804.21
2.Net changes in cash and cash equivalents:		
Closing balance of cash	4,414,510,955.76	8,806,185,306.17
Less: Opening balance of cash	5,901,061,909.81	6,776,093,360.48
Net increase in cash and cash equivalents	(1,486,550,954.05)	2,030,091,945.69

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

64. Supplementary Information of Cash Flow Statements (continued)

(2) Net cash paid for acquisition of subsidiaries in the current period

Unit: Yuan Currency: RMB

	Amount
Less: Cash and cash equivalents held by subsidiaries on the acquisition date	27,588,175.60
	27,588,175.60
Add: Cash or cash equivalents paid in the current period for business combinations occurred in the previous periods	34,692,044.57
	34,692,044.57
Net cash paid for acquiring subsidiaries	7,103,868.97

(3) Net cash received from disposal of subsidiaries in the current period

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	489,247,444.42
	489,247,444.42
Less: Cash and cash equivalents held by the subsidiary at the date of loss of control	31,558,572.12
	31,558,572.12
Net cash received from disposal of subsidiaries	457,688,872.30

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

64. Supplementary Information of Cash Flow Statements (continued)

(4) Cash and cash equivalents composition

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	4,414,510,955.76	5,901,061,909.81
Including: Cash on hand	4,685,521.65	8,615,723.97
Bank deposits readily to be withdrawn on demand	4,409,825,434.11	5,892,446,185.84
II. Closing balance of cash and cash equivalents	4,414,510,955.76	5,901,061,909.81

65. Assets with Restricted Ownership or Use Right

Unit: Yuan Currency: RMB

Items	Book value at the end of period	Reasons for limitation
Cash and bank balances	1,899,121,108.28	Long-term Loan pledge
Fixed assets	2,295,657,091.18	Loan pledge
Cash and bank balances	31,032,712.10	Frozen deposits
Cash and bank balances	114,932,987.59	Reserves deposited in the Central Bank
Cash and bank balances	28,151,646.46	Deposited investment fund
Cash and bank balances	83,786,700.53	Deposit
Investments in other equity instruments	139,068,630.44	Loan mortgage
Investment properties	81,788,000,000.00	Loans, CMBS pledge/mortgage
Total	86,379,750,876.58	/

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

65. Assets with Restricted Ownership or Use Right (continued)

Others:

The revenue of operations from Shanghai Zhenbei Shopping Mall, Shanghai Wuzhonglu Shopping Mall, Jinan Red Star Shopping Mall, Zhengzhou Shangdulu Shopping Mall, Shanghai Jinqiao Shopping Mall, Nanjing Pukou Shopping Mall, Nanjing Mingdu Shopping Mall, Harbin West Railway Station Shopping Mall, Hefei Silihe Shopping Mall, Jinshan Hangzhou Bay Shopping Mall, Tianjin Hedong, Shanghai Pujiang, Xi'an Chanba, and Shanghai Jinshan during relevant loan periods was used for loan pledge. The revenue of property operation from Beijing East Four Ring, Beijing West Four Ring, Yantai Red Star, Wuhan Shibo, Wuhan Hanyang, Changzhou Home World, Changzhou Macalline, and Wuxi Red Star during relevant periods was used for CMBS pledge.

66. Monetary Items Denominated in Foreign Currency

(1) Monetary items denominated in foreign currency

Unit: Yuan Currency: RMB

Items	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB equivalent at the end of the period
Cash and bank balances			
Including: USD	101,938.49	6.4601	658,532.84
EUR	338.29	7.6862	2,600.16
HKD	38,749,826.97	0.83208	32,242,956.03
Bonds payable			
Including: USD	298,422,454.54	6.4601	1,927,838,898.59
Short-term loan			
Including: EUR	175,386,033.41	7.6862	1,348,052,130.00

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Hedging

Disclosure of hedged projects and relevant hedging instruments based on hedge categories, and qualitative and quantitative information about hedged risks:

Fair value hedging

Hong Kong Red Star Macalline Global Home Furnishing Company Limited (香港紅星美凱龍全球家居有限公司) (hereinafter referred to as "Hong Kong Red Star Macalline"), a subsidiary of the Group (whose functional currency is RMB), issued USD300,000,000.00 long-term bonds on 21 September 2017, which will mature on 21 September 2022 and has interest rate of 3.375% per annum payable semi-annually on March 21 and September 21 of each year commencing on 21 March 2018. In response to this part of long-term bonds facing the exchange rate risk exposure caused by changes in RMB against USD. On April 2, 2019, the Group purchased a structured currency swap (can cancel the range forward), against USD150,000,000 of the USD-dominated loan of Hong Kong Red Star. On May 9, 2019, the Group purchased an option portfolio product consisting of the signed options and the purchased options to hedge the USD100,000,000 of the USD-dominated loan of Hong Kong Red Star. Through qualitative analysis, the Group determined that the ratio of the number of hedging instruments to hedged items was 1: 1. The invalid part of the hedge mainly comes from the foreign exchange basis.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Hedging (continued)

Fair value hedging (continued)

Book value and fair value movement of hedging instruments are as follows:

2021

	Nominal amount of hedging instruments	Book value of hedging instruments	Assets Items listed on the balance sheet with hedging instruments	Changes in the fair value of hedging instruments used as the basis for confirming the invalid part of the hedge in 2021
Structured currency swaps	USD150,000,000	(3,947,532.89)	Derivative financial instruments	1,335,000.00
Option portfolio	USD100,000,000	4,346,486.63	Derivative financial instruments	-

V. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Hedging (continued)

Fair value hedging (continued)

Book value of the hedged items and the related adjustments are as follows:

2021

	Book value of hedged items Liabilities	Cumulative amount of fair value hedging adjustment of the hedged items (included in the book value of the hedged items) Liabilities	Listed items in the balance sheet including hedged items	Changes in the fair value of hedged items used as the basis for confirming the invalid part of the hedge for the current period
USD-dominated bonds	1,744,050,000.00	81,440,000.00	Bonds payable	-

68. Government Grants

Unit: Yuan Currency: RMB

Category	Amount	Presented items	Amount included in profit and loss
Related to profit	33,204,259.01	Subsidies (Note 1)	33,204,259.01
Related to profit	16,250,393.26	Special government grants (Note 2)	16,250,393.26
Related to profit	258,868.37	Reward support fund (Note 3)	258,868.37
Related to assets	180,746,062.77	Land matching grants	3,099,369.12

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VI. CHANGES IN CONSOLIDATION SCOPE

1. Business combination involving enterprises under common control

(1) Business combination involving enterprises under common control during the current period

Unit: Yuan Currency: RMB

Name of merged party	Percentage of equity acquired in the business combination	Basis for business combination involving enterprises under common control	Combination date	Basis for determining the combination date	Merged party's income from the beginning of the current period to the combination date	Merged party's net profit from the beginning of the current period to the combination date	Merged party's revenue in the comparative period	Merged party's net profit in the comparative period
Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業管理服務有限公司)	90%	Acquired by Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司), the Controlling Shareholder, by transferring its equity interest to the merged party	26 April 2021	the control over the merged party	-	-	-	-

VI. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination involving enterprises under common control (continued)

(2) Cost of business combination

Unit: Yuan Currency: RMB

	Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業 管理服務有限公司)
Cost of business combination	
– Cash	–
– Carrying value of non-cash assets	–
– Carrying value of the issued or assumed debts	–
– Par value of the issued equity securities	–
– Contingent consideration	–

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VI. CHANGES IN CONSOLIDATION SCOPE (continued)

1. Business combination involving enterprises under common control (continued)

(3) Book value of the merged party's assets and liabilities on the combination date

Unit: Yuan Currency: RMB

	Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業管理服務有限公司)	Combination date	At the end of the previous period
Assets:			
Cash and bank balances		—	—
Receivables		—	—
Inventories		—	—
Fixed assets		—	—
Intangible assets		—	—
Liabilities:			
Borrowings		—	—
Payables		—	—
Net assets		—	—
Less: Non-controlling interests		—	—
Net assets acquired		—	—

Contingent liabilities of the merged party assumed in business combination:

Nil

VI. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Disposal of subsidiaries

Whether there is a single disposal of investments in subsidiaries and loss of control

Unit: Yuan Currency: RMB

Subsidiary name	Consideration of equity disposal	Percentage of equity disposed of (%)	Way of disposal	Time of losing control	Determination basis of time of losing control	Difference between the consideration of disposal and the portion of net assets of such subsidiary attributable to the investment disposed of within the scope of consolidated financial statements	Percentage of the remaining equity as at the date of losing control (%)	Book value of the remaining equity as at the date of losing control	Fair value of the remaining equity as at the date of losing control	Gains or losses arising from remeasurement on the remaining equity at fair value	Method and major assumptions used in the determination of the fair value of the equity as at the date of losing control	Amount transferred to investment gains or losses from other comprehensive income related to the equity investment in the former subsidiary
Tibet Red Star Macalline Business Management Company Limited (西藏紅星美凱龍企業管理有限公司) (Note 1)	419,083,500.00	100	loss of control	2021/6/30	Time point of losing control	143,323,269.32	-	-	-	-	-	-
Red Star Macalline (Shanghai) Business Management Company Limited (紅星美凱龍(上海)企業管理有限公司) (Note 2)	172,025,100.00	100	loss of control	2021/6/28	Time point of losing control	164,886,653.51	-	-	-	-	-	-
Shanghai Beimao Logistics Company Limited (上海倍茂物流有限公司) (Note 3)	193,891,000.00	100	loss of control	2021/6/28	Time point of losing control	75,463,440.26	-	-	-	-	-	-
Shanghai Beiyue Logistics Company Limited (上海倍躍物流有限公司) (Note 4)	55,955,200.00	100	loss of control	2021/6/28	Time point of losing control	4,729,018.43	-	-	-	-	-	-
Shanghai Beibo Logistics Company Limited (上海倍博物流有限公司) (Note 5)	93,442,700.00	100	loss of control	2021/6/28	Time point of losing control	15,889,225.58	-	-	-	-	-	-
Shanghai Beizheng Logistics Company Limited (上海倍正物流有限公司) (Note 6)	195,167,400.00	100	loss of control	2021/6/28	Time point of losing control	71,109,044.34	-	-	-	-	-	-
Tianjin Red Star Macalline Logistics Company Limited (天津紅星美凱龍物流有限公司)	90,617,600.00	100	loss of control	2021/6/28	Time point of losing control	(21,073,942.41)	-	-	-	-	-	-
Shanghai Xingyue Property Service Co., Ltd. (上海星悅物業服務有限公司)	297,330,000.00	90.1	loss of control	2021/5/27	Time point of losing control	296,313,108.97	9.9	111,739.32	-	-	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VI. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Disposal of subsidiaries (continued)

Note 1: Tibet Red Star Macalline Business Management Company Limited (西藏紅星美凱龍企業管理有限公司) holds 100% equity of Shanghai Beimai Logistics Company Limited (上海倍邁物流有限公司), Anhui Red Star Macalline Logistics Company Limited (安徽紅星美凱龍物流有限公司), Shanghai Beilang Logistics Company Limited (上海倍朗物流有限公司), Hebei Red Star Macalline Logistics Company Limited (河北紅星美凱龍物流有限公司), Shanghai Beihao Logistics Company Limited (上海倍皓物流有限公司), Tianjin Hongju Supply Chain Technology Co., Ltd. (天津紅居供應鏈科技有限公司), Shanghai Beixun Logistics Company Limited (上海倍訊物流有限公司) and Tianjin Hongmei Supply Chain Technology Co., Ltd. (天津紅美供應鏈科技有限公司);

Note 2: Red Star Macalline (Shanghai) Business Management Company Limited (紅星美凱龍(上海)企業管理有限公司) holds 100% equity of Anhui Shengshi Dingtong Logistics Company Limited (安徽盛世鼎通物流有限公司) and Chongqing Red Star Macalline Logistics Company Limited (重慶紅星美凱龍物流有限公司);

Note 3: Shanghai Beimao Logistics Company Limited (上海倍茂物流有限公司) holds 100% equity of Guizhou Red Star Macalline Logistics Company Limited (貴州紅星美凱龍物流有限公司);

Note 4: Shanghai Beiyue Logistics Company Limited (上海倍躍物流有限公司) holds 100% equity of Shaanxi Red Star Macalline Logistics Company Limited (陝西紅星美凱龍物流有限公司);

Note 5: Shanghai Beibo Logistics Company Limited (上海倍博物流有限公司) holds 100% equity of Wuhan Ruixinxin Technology Co., Ltd. (武漢瑞鑫欣科技有限責任公司);

Note 6: Shanghai Beizheng Logistics Company Limited (上海倍正物流有限公司) holds 100% equity of Hefei Red Star Macalline Logistics Company Limited (合肥紅星美凱龍物流有限公司).

3. Changes in consolidation scope for other reasons

Explain the changes in the consolidation scope due to other reasons (e.g. newly established subsidiaries and clearing of subsidiaries, etc.) and the related conditions:

Assets Acquisition

In November 2020, the Group entered into an equity transfer agreement with Shanghai Hongjun Investment Company Limited (上海弘郡投資有限公司) and Shanghai Hongjun Real Estate Development Company Limited (上海弘郡置業發展有限公司), the original shareholder of Liuzhou Red Star Macalline Home Furnishing Company Limited (柳州紅星美凱龍家居有限公司) ("Liuzhou Red Star"), and transferred 100% of the equity of the target company, Liuzhou Red Star. After completion of the acquisition in March 2021, the Group holds 100% shares of Liuzhou Red Star.

VI. CHANGES IN CONSOLIDATION SCOPE (continued)

3. Changes in consolidation scope for other reasons (continued)

Newly established

Subsidiary name	Main business site	Place of incorporation	Business nature	Direct shareholding ratio (%)	Indirect shareholding ratio (%)	Reason of changes
Shanghai Macalline Zunke Design Engineering Co., Ltd. (上海美凱龍尊科設計工程有限公司)	Shanghai	Shanghai	Home design	-	45.90	newly established company
Hainan Red Star Macalline Enterprise Management Co., Ltd. (海南紅星美凱龍企業管理有限公司)	Hainan	Hainan	Enterprise management and consultancy	100.00	-	newly established company
Macalline Digital Technology Co., Ltd. (美凱龍數字科技有限公司)	Hainan	Hainan	E-commerce	100.00	-	newly established company
Shenzhen Meilong Wisdom Home Decoration Engineering Co., Ltd. (深圳市美隆智慧家裝飾工程有限公司)	Guangdong	Guangdong	Home design	-	32.75	newly established company

Cancelled subsidiaries

The subsidiaries cancelled by the Group this year were Guangzhou Red Star Macalline Home Expo Center Company Limited (廣州紅星美凱龍家居博覽中心有限公司), Shanghai Youmei Home Furnishing Company Limited (上海悠美家居有限公司), Xi'an Meijia Household Service Company Limited (西安舒適美佳家政服務有限責任公司), Shanghai Jiading Construction Home Decorating Design Company Limited (上海家鼎建築裝飾設計工程有限公司) and Meishan Red Star Macalline Shibo Furniture Plaza Company Limited (眉山紅星美凱龍世博家居廣場有限公司).

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of enterprise group

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Changsha Red Star Macalline Home Furnishing Plaza Company Limited (長沙紅星美凱龍家居生活廣場有限公司)	Hunan	Hunan	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Global Home Design Expo Company Limited (上海紅星美凱龍環球家居設計博覽有限公司)	Shanghai	Shanghai	Site leasing management	0	97	Subsidiaries acquired through establishment or investment
Hangzhou Red Star Macalline Shibo Furniture Plaza Company Limited (杭州紅星美凱龍世博家居有限公司)	Zhejiang	Zhejiang	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Brand Management Company Limited (上海紅星美凱龍品牌管理有限公司)	Shanghai	Shanghai	Brand management	100	0	Subsidiaries acquired through establishment or investment
Chongqing Red Star Macalline Global Home Furnishing Plaza Company Limited (重慶紅星美凱龍環球家居生活廣場有限責任公司)	Chongqing	Chongqing	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Wuhan Red Star Macalline Shibo Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍世博家居廣場發展有限公司)	Hubei	Hubei	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Beijing Xingkai Jingzhou Furniture Plaza Co., Ltd. (北京星凱京洲傢俱廣場有限公司)	Beijing	Beijing	Site leasing management	0	51	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Home Living Design Expo Company Limited (上海紅星美凱龍家居藝術設計博覽有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Global Home Furnishing Market Management Company Limited (上海紅星美凱龍全球家居市場經營管理有限公司)	Shanghai	Shanghai	Market company	0	100	Subsidiaries acquired through establishment or investment
Yantai Red Star Macalline Home Living Company Limited (煙台紅星美凱龍家居有限公司)	Shandong	Shandong	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shenyang Mingdu Home Furnishing Plaza Company Limited (瀋陽名都家居廣場有限公司)	Liaoning	Liaoning	Site leasing management	60	40	Subsidiaries acquired through establishment or investment
Beijing Century Europe and America Business Investment Company Limited (北京世紀歐美商業投資有限公司)	Beijing	Beijing	Site leasing management	0	80	Subsidiaries acquired through establishment or investment
Chongqing Red Star Macalline Expo Home Furnishing Plaza Company Limited (重慶紅星美凱龍博覽家居生活廣場有限責任公司)	Chongqing	Chongqing	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Changsha YinHong Home Furnishing Company Limited (長沙市銀紅家居有限公司)	Hunan	Hunan	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Jingdu Investment Company Limited (上海晶都投資有限公司)	Shanghai	Shanghai	Investment management	51	0	Subsidiaries acquired through establishment or investment
Tianjin Red Star Macalline Home Furnishings Plaza Company Limited (天津紅星美凱龍家居傢飾生活廣場有限公司)	Tianjin	Tianjin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Panjin Red Star Macalline Global Home Living Plaza Company Limited (盤錦紅星美凱龍全球家居生活廣場有限公司)	Liaoning	Liaoning	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Business Consulting Company Limited (上海紅星美凱龍商務諮詢有限公司)	Shanghai	Shanghai	Investment management	65	0	Subsidiaries acquired through establishment or investment
Shenyang Red Star Macalline Home Furnishing Company Limited (瀋陽紅星美凱龍家居有限公司)	Liaoning	Liaoning	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Trading Company Limited (上海紅星美凱龍商貿有限公司)	Shanghai	Shanghai	Investment management	100	0	Subsidiaries acquired through establishment or investment
Harbin Red Star Macalline Shibo Furniture Plaza Company Limited (哈爾濱紅星美凱龍世博家居廣場有限公司)	Heilongjiang	Heilongjiang	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Xingjia Decoration and Building Materials Company Limited (上海星家裝飾建材有限公司)	Shanghai	Shanghai	Construction material markets	0	100	Subsidiaries acquired through establishment or investment
Chongqing Red Star Macalline Zhongkun Home Living Plaza Company Limited (重慶紅星美凱龍中坤家居生活廣場有限責任公司)	Chongqing	Chongqing	Site leasing management	55	0	Subsidiaries acquired through establishment or investment
Zhongshan Red Star Macalline Shibo Furniture Plaza Company Limited (中山紅星美凱龍世博家居廣場有限公司)	Guangdong	Guangdong	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shenyang Dadong Red Star Macalline Home Furnishing Company Limited (瀋陽大東紅星美凱龍傢俱建材市場有限公司)	Liaoning	Liaoning	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Xi'an Red Star Macalline Home Furnishing Plaza Company Limited (西安紅星美凱龍家居生活廣場有限公司)	Shaanxi	Shaanxi	Site leasing management	75	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Daqing Red Star Macalline Shibo Furniture Company Limited (大慶紅星美凱龍世博家居有限公司)	Heilongjiang	Heilongjiang	Site leasing management	70	0	Subsidiaries acquired through establishment or investment
Beijing Red Star Macalline Furnishing Market Company Limited (北京紅星美凱龍家居市場有限公司)	Beijing	Beijing	Brand management	0	100	Subsidiaries acquired through establishment or investment
Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍環球家居廣場發展有限公司)	Hubei	Hubei	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Beijing Century Kailong Business Investment Company Limited (北京世紀凱隆商業投資有限公司)	Beijing	Beijing	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Tianjin Red Star Macalline Home Fashion Plaza Company Limited (天津紅星美凱龍時尚家居廣場有限公司)	Tianjin	Tianjin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Ogloria Home Living Market Management Company Limited (上海紅星歐麗洛雅家居市場經營管理有限公司)	Shanghai	Shanghai	Market company	100	0	Subsidiaries acquired through establishment or investment
Hefei Red Star Macalline Shibo Furniture Plaza Company Limited (合肥紅星美凱龍世博家居廣場有限公司)	Anhui	Anhui	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Nanjing Red Star Macalline International Home Living Company Limited (南京紅星美凱龍國際家居有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Yijia Home Decorating Company Limited (上海紅星美凱龍億家裝飾工程有限公司)	Shanghai	Shanghai	Home design	0	100	Subsidiaries acquired through establishment or investment
Shanghai Xingyi Tonghui Business Service Company Limited (上海星易通匯商務服務有限公司)	Shanghai	Shanghai	Commercial service	100	0	Subsidiaries acquired through establishment or investment
Shanghai Hongmei E-commerce Company Limited (上海紅星美凱龍家品會電子商務有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Tianjin Red Star Macalline International Home Furnishing Expo Company Limited (天津紅星美凱龍國際家居博覽有限公司)	Tianjin	Tianjin	Site leasing management	65	0	Subsidiaries acquired through establishment or investment
Tianjin Red Star Macalline World Trade Home Furnishing Company Limited (天津紅星美凱龍世貿家居有限公司)	Tianjin	Tianjin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Meihao Home Decorating Design Company Limited (上海美昊裝飾設計工程有限公司)	Shanghai	Shanghai	Home design	0	100	Subsidiaries acquired through establishment or investment
Harbin Red Star Macalline International Home Furnishing Company Limited (哈爾濱紅星美凱龍國際家居有限公司)	Harbin	Harbin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Changchun Red Star Macalline Shibo Home Living Plaza Company Limited (長春紅星美凱龍世博家居生活廣場有限公司)	Jilin	Jilin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Red Star Xizhao Investment Company Limited (紅星喜兆投資有限公司)	Tibet	Tibet	Investment management	90	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		
				Direct	Indirect	Acquisition method
Red Star Macalline Home Furnishing Mall Management Company Limited (紅星美凱龍家居商場管理有限公司)	Tibet	Tibet	Investment management	100	0	Subsidiaries acquired through establishment or investment
Yangzhou Red Star Macalline International Home Furnishing Plaza Company Limited (揚州紅星美凱龍國際家居廣場有限公司)	Jiangsu	Jiangsu	Brand management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Longmei Home Furnishing Market Management Company Limited (上海紅星美凱龍美家居市場經營管理有限公司)	Shanghai	Shanghai	Market company	100	0	Subsidiaries acquired through establishment or investment
Chongqing Jiaxin Home Decorating Design Company Limited (重慶家欣裝飾設計工程有限公司)	Chongqing	Chongqing	Home design	0	70	Subsidiaries acquired through establishment or investment
Henan Xixiliya Property Management Company Limited (河南西西亞物業管理有限公司)	Henan	Henan	Property management	0	100	Subsidiaries acquired through establishment or investment
Shenyang Red Star Macalline Shibo Home Furnishing Company Limited (瀋陽紅星美凱龍世博家居有限公司)	Liaoning	Liaoning	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Bulk Purchasing of Construction and Furnishing Materials Trading Company (上海紅星美凱龍住建集採商貿有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Lanzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘭州紅星美凱龍世博家居廣場有限公司)	Gansu	Gansu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Jisheng Wellborn Global Home Living Brand Management Company Limited (上海吉盛偉邦環球家居品牌管理有限公司)	Shanghai	Shanghai	Management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Home Decorating and Furnishing Market Management Company Limited (上海紅星美凱龍裝飾家居市場經營管理有限公司)	Shanghai	Shanghai	Brand management	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Network Technology Company Limited (上海紅星美凱龍網絡技術有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Decorating Public Network Technology Company Limited (上海紅星美凱龍裝修公網絡技術有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Yunnan Red Star Macalline Home Furnishing Plaza Company Limited (雲南紅星美凱龍家居生活廣場有限公司)	Yunnan	Yunnan	Site leasing management	87	0	Subsidiaries acquired through establishment or investment
Urumchi Red Star Macalline Shibo Furniture Plaza Company Limited (烏魯木齊紅星美凱龍家居世博廣場有限公司)	Xinjiang	Xinjiang	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Dongguan Red Star Macalline Shibo Furniture Plaza Company Limited (東莞紅星美凱龍世博家居廣場有限公司)	Guangdong	Guangdong	Site leasing management	70	0	Subsidiaries acquired through establishment or investment
Shanghai Anjia Network Technology Company Limited (上海安家網絡科技有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Aiguangjia E-commerce Company Limited (上海愛逛家電子商務有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Jia Ju Information Technology Company Limited (上海家聚信息技術有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Hongmei Network Technology Company Limited (上海紅美網絡科技有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Chengdu Red Star Ogloria Brand Management Company Limited (成都紅星歐麗洛雅品牌管理有限公司)	Chengdu	Chengdu	Brand management	0	100	Subsidiaries acquired through establishment or investment
Shanxi Xingyi Tonghui Network Technology Company Limited (山西星易通匯網絡科技有限公司)	Shanxi	Shanxi	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Assets Management Company Limited (上海紅星美凱龍資產管理有限公司)	Shanghai	Shanghai	Investment management	0	100	Subsidiaries acquired through establishment or investment
Shanghai Xinghe Zhaipei Home Furnishing Service Company Limited (上海星和宅配家居服務有限公司)	Hebei	Hebei	Home design	100	0	Subsidiaries acquired through establishment or investment
Red Star Macalline Group (Shanghai) Logistics Company Limited (紅星美凱龍家居集團(上海)物流有限公司)	Shanghai	Shanghai	Logistics service	60	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Xinglong Home Furnish Company Limited (上海紅星美凱龍星龍家居有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Red Star Macalline Chengdu Business Management Company Limited (紅星美凱龍成都商業管理有限公司)	Chengdu	Chengdu	Management and consultancy	0	100	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Red Star Macalline Chengdu Enterprise Management Consulting Company Limited (紅星美凱龍成都企業管理諮詢有限公司)	Chengdu	Chengdu	Management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Kaiheng Household Company Limited (上海紅星美凱龍楷恒家居有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Changsha Red Star Macalline Jinxia Home Living Plaza Company Limited (長沙紅星美凱龍金霞家居生活廣場有限公司)	Changsha	Changsha	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Nanchang Red Star Macalline Global Home Furnishing Plaza Company Limited (南昌紅星美凱龍全球家居廣場有限公司)	Jiangxi	Jiangxi	Site leasing management	51	0	Subsidiaries acquired through establishment or investment
Kunming Red Star Macalline Shibo Furniture Plaza Company Limited (昆明紅星美凱龍世博家居廣場有限公司)	Yunnan	Yunnan	Site leasing management	0	87	Subsidiaries acquired through establishment or investment
Chongqing Red Star Macalline International Home Furnishing Plaza Company Limited (重慶紅星美凱龍國際家居生活廣場有限責任公司)	Chongqing	Chongqing	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Jinshan Red Star Macalline Global Home Furnishing Company Limited (上海金山紅星美凱龍全球家居有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Xi'an Red Star Macalline Shibo Home Furnishing Company Limited (西安紅星美凱龍世博家居有限公司)	Shaanxi	Shaanxi	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Chengdu Red Star Macalline Tianfu Expo Home Furnishing Plaza Company Limited (成都紅星美凱龍天府世博家居廣場有限公司)	Chengdu	Chengdu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Chengdu Tianfu New District Red Star Macalline World Trade Home Furnishing Company Limited (成都天府新區紅星美凱龍世貿家居有限公司)	Chengdu	Chengdu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Hong Kong Red Star Macalline Global Home Furnishing Company Limited (香港紅星美凱龍全球家居有限公司)	Hong Kong	Hong Kong	Investment management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Yuejia Network Technology Company Limited (上海紅星美凱龍悅家互聯網科技有限公司)	Shanghai	Shanghai	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Jiajinsuo Investment Holding Company Limited (上海家金所投資控股有限公司)	Shanghai	Shanghai	Investment management	100	0	Subsidiaries acquired through establishment or investment
Zhengzhou Juankai Enterprise Management Consultation Company Limited (鄭州雋鑑企業管理諮詢有限公司)	Henan	Henan	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Red Star Zhongying Investment Company Limited (紅星眾盈投資有限公司)	Tibet	Tibet	Investment management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Macalline Xinghe Asset Management Company Limited (上海美凱龍星荷資產管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Yumu Enterprise Management Company Limited (上海宇慕企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Yuxu Enterprise Management Company Limited (上海宇煦企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Yuzhu Enterprise Management Company Limited (上海宇築企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Yuxiao Enterprise Management Company Limited (上海宇霄企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Zhengzhou Dongsheng Enterprise Management Company Limited (鄭州東晟企業管理有限公司)	Henan	Henan	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Red Star Macalline Glory Casa (Shanghai) Home Furnishing Company Limited (紅星美凱龍凱撒至尊(上海)家居有限公司)	Shanghai	Shanghai	Proprietary sales	100	0	Subsidiaries acquired through establishment or investment
Shanghai Interface Marketing Planning Co., Ltd. (上海英太翡思營銷策劃有限公司)	Shanghai	Shanghai	Labour dispatching	100	0	Subsidiaries acquired through establishment or investment
Yantai Xinhuan Enterprise Management Company Limited (煙台欣歡企業管理有限公司)	Shandong	Shandong	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Xining Red Star Macalline Shibo Home Furnishing Plaza Company Limited (西寧紅星美凱龍世博家居廣場有限公司)	Qinghai	Qinghai	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Red Star Macalline Enterprise Management and Consultancy Company Limited (紅星美凱龍企業管理諮詢有限公司)	Xinjiang	Xinjiang	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Red Star Ogloria Enterprise Management Company Limited (紅星歐麗洛雅企業管理有限公司)	Xinjiang	Xinjiang	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Khorgos Red Star Macalline Business Management Company Limited (霍爾果斯紅星美凱龍商業管理有限公司)	Xinjiang	Xinjiang	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Fanju Network Technology Company Limited (上海泛居網絡科技有限公司)	Shanghai	Shanghai	Network technique	0	100	Subsidiaries acquired through establishment or investment
Shanghai Jiajinsuo Financial Technology Information Services Company Limited (上海家金所金融科技信息服務有限公司)	Shanghai	Shanghai	Investment management	0	100	Subsidiaries acquired through establishment or investment
Red Star Macalline Home Furnishing Group Finance Company Limited (紅星美凱龍家居集團財務有限公司)	Shanghai	Shanghai	Loan service	95	5	Subsidiaries acquired through establishment or investment
Longzhihui (Shanghai) Facility Management Services Co., Ltd. (龍之惠(上海)設施管理服務有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	50	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline International Trading Company Limited (上海紅星美凱龍國際貿易有限公司)	Shanghai	Shanghai	Import and export	55	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Financial Leasing Company Limited (上海紅星美凱龍融資租賃有限公司)	Shanghai	Shanghai	Equipment leasing	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Home Furnishing Trading Company Limited (上海紅星美凱龍美居商貿有限公司)	Shanghai	Shanghai	Import and export	0	28	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Hainan Hongju Enterprise Management Co., Ltd. (海南紅居企業管理有限公司)	Xinjiang	Xinjiang	Enterprise management and consultancy	70	0	Subsidiaries acquired through establishment or investment
Chengdu Red Star Macalline Xinnan Business Management Company Limited (成都紅星美凱龍新南商業管理有限公司)	Sichuan	Sichuan	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Khorgos Yarui Venture Capital Company Limited (霍爾果斯雅睿創業投資有限公司)	Xinjiang	Xinjiang	Investment management	90	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Oglogia Brand Management Company Limited (上海紅星歐麗洛雅品牌管理有限公司)	Shanghai	Shanghai	Brand management	100	0	Subsidiaries acquired through establishment or investment
Ningbo Meishan Bonded Port Area Xingkaiying Asset Management Company Limited (寧波梅山保稅港區星凱贏資產管理有限公司)	Zhejiang	Zhejiang	Asset management	0	51	Subsidiaries acquired through establishment or investment
Khorgos Red Star Yiming Venture Capital Company Limited (霍爾果斯紅星易鳴創業投資有限公司)	Xinjiang	Xinjiang	Investment management	90	0	Subsidiaries acquired through establishment or investment
Shanghai BetterHome Industrial Company Limited (上海家倍得實業有限公司)	Shanghai	Shanghai	Construction decoration	0	68	Subsidiaries acquired through establishment or investment
Shanghai Kaichun Investment Management Company Limited (上海凱淳投資管理有限公司)	Shanghai	Shanghai	Investment management	0	100	Subsidiaries acquired through establishment or investment
Kunshan Red Star Macalline Decoration Materials Company Limited (昆山紅星美凱龍裝飾材料有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Commercial Factoring Company Limited (上海紅星美凱龍商業保理有限公司)	Shanghai	Shanghai	Accounts receivable financing	100	0	Subsidiaries acquired through establishment or investment
Tianjin Jinrui Corporate Management Company Limited (天津津瑞企業管理有限公司)	Tianjin	Tianjin	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Chongqing Xingkaike Home Furnishing Company Limited (重慶星凱科家居有限公司)	Chongqing	Chongqing	Site leasing management	0	100	Subsidiaries acquired through establishment or investment
Shanghai Ozing Digital Technology Company Limited (上海好記星數碼科技有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Bright Rainbow Investments Limited (合樂投資有限公司)	Hong Kong	Hong Kong	Market service, investment	0	100	Subsidiaries acquired through establishment or investment
Chongqing Red Star Ogloria Home Furnishing Company Limited (重慶紅星歐麗洛雅家居有限公司)	Chongqing	Chongqing	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Huaixing Culture Development Co., Ltd. (上海懷星文化發展有限公司)	Shanghai	Shanghai	Cultural and artistic exchange	80	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Design Cloud Information Technology Company Limited (上海紅星美凱龍設計雲信息科技有限公司)	Shanghai	Shanghai	Information science and technology development	100	0	Subsidiaries acquired through establishment or investment
Shanghai Beimei Logistics Company Limited (上海倍美物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Exhibition Service Company Limited (上海紅星美凱龍展覽服務有限公司)	Shanghai	Shanghai	Exhibition services	55	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Taiyuan Red Star Macalline Global Home Furnishing Plaza Company Limited (太原紅星美凱龍全球家居廣場有限公司)	Shanxi	Shanxi	Site leasing management	51	0	Subsidiaries acquired through establishment or investment
Shanghai Xingyijia Brand Management Company Limited (上海星藝佳品牌管理有限公司)	Shanghai	Shanghai	Brand management	0	100	Subsidiaries acquired through establishment or investment
Jilin Red Star Macalline Logistics Company Limited (吉林紅星美凱龍物流有限公司)	Jilin	Jilin	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Changzhou Meilong Trading Company Limited (常州美龍貿易有限公司)	Jiangsu	Jiangsu	Sale of home furniture	100	0	Subsidiaries acquired through establishment or investment
Shanghai Mengsheng Industrial Co., Ltd. (上海夢晟實業有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Beibang Logistics Company Limited (上海倍邦物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Construction and Decoration Design Company Limited (上海紅星美凱龍住建裝配設計有限公司)	Shanghai	Shanghai	Home design	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Installation of Construction and Furnishing Materials Technology Company Limited (上海紅星美凱龍住建裝配科技有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Beiyao Logistics Company Limited (上海倍耀物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Zhengzhou Red Star Macalline Shibo Home Furnishing Company Limited (鄭州紅星美凱龍世博家居有限公司)	Henan	Henan	Site leasing management	55	0	Subsidiaries acquired through establishment or investment
Shanghai Ditu Home Furnishing Company Limited (上海締圖家居有限公司)	Shanghai	Shanghai	Site leasing management	0	30	Subsidiaries acquired through establishment or investment
Nantong Hongmei Shibo Home Furnishing Plaza Company Limited (南通紅美世博家居廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Nanning Red Star Macalline Shibo Home Furnishing Exhibition Centre Company Limited (南寧紅星美凱龍世博家居展覽中心有限公司)	Guangxi	Guangxi	Exhibition services	100	0	Subsidiaries acquired through establishment or investment
Shanghai Hongyue Logistics Company Limited (上海宏岳物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	60	Subsidiaries acquired through establishment or investment
Ganzhou Red Star Macalline Shibo Furniture Plaza Company Limited (贛州紅星美凱龍世博家居廣場有限公司)	Jiangxi	Jiangxi	Site leasing management	70	0	Subsidiaries acquired through establishment or investment
Red Star Macalline (Zhejiang) Information Service Company Limited (紅星美凱龍(浙江)信息技術有限公司)	Zhejiang	Zhejiang	E-commerce	100	0	Subsidiaries acquired through establishment or investment
Zhejiang Xingzhuo Decoration Company Limited (浙江星卓裝飾有限公司)	Zhejiang	Zhejiang	Construction decoration	0	100	Subsidiaries acquired through establishment or investment
Nanchang Red Star Macalline Global Home Expo Center Company Limited (南昌紅星美凱龍環球家居博覽中心有限責任公司)	Jiangxi	Jiangxi	Site leasing management	70	30	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Tianjin Red Star Macalline Supply Chain Management Company Limited (天津紅星美凱龍供應鏈管理有限公司)	Tianjin	Tianjin	Supply chain management	0	60	Subsidiaries acquired through establishment or investment
Shanghai Banlong Business Management Company Limited (上海阪龍商業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Yingtai Lijin Technology Co., Ltd. (上海英太利金科技有限公司)	Shanghai	Shanghai	E-commerce	80	0	Subsidiaries acquired through establishment or investment
Nantong Longmei International Home Furnishing Plaza Co., Ltd. (南通龍美國際家居生活廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Beijing Xingmei Yongsheng Information Consultation Company Limited (北京星美永盛信息諮詢有限公司)	Beijing	Beijing	Enterprise management and consultancy	0	70	Subsidiaries acquired through establishment or investment
Shanghai Zhiya Business Management Company Limited (上海樞雅管理諮詢有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Red Star Macalline (Zhejiang) Corporate Management Company Limited (紅星美凱龍(浙江)企業管理有限公司)	Zhejiang	Zhejiang	Enterprise management and consultancy	95	0	Subsidiaries acquired through establishment or investment
Shanghai Guixv Enterprise Management Company Limited (上海歸翹企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Decoration (Group) Company Limited (上海紅星美凱龍建築裝飾(集團)有限公司)	Shanghai	Shanghai	Construction decoration	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Red Star Macalline Life Aesthetics Center Management Company Limited (紅星美凱龍生活美學中心管理有限公司)	Zhejiang	Zhejiang	Enterprise management and consultancy	95	0	Subsidiaries acquired through establishment or investment
Zhejiang Xingyisheng Industrial Development Company Limited (浙江星易盛實業發展有限公司)	Zhejiang	Zhejiang	Construction decoration	0	75	Subsidiaries acquired through establishment or investment
Shanghai Macalline Decoration Engineering Group Co., Ltd. (上海美凱龍裝飾工程集團有限公司)	Shanghai	Shanghai	Construction decoration	100	0	Subsidiaries acquired through establishment or investment
Shijiazhuang Bochen Industrial Company Limited (石家莊博宸實業有限公司)	Shijiazhuang	Shijiazhuang	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Wuhu Red Star Macalline Shimao Furniture Plaza Company Limited (蕪湖紅星美凱龍世貿家居廣場有限公司)	Anhui	Anhui	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Betterhome Construction Technology Company Limited (家倍得建築科技有限公司)	Zhejiang	Zhejiang	Construction decoration	90	0	Subsidiaries acquired through establishment or investment
Shanghai Lihao Creative Design Co., Ltd. (上海麗浩創意設計有限公司)	Shanghai	Shanghai	Construction decoration	0	90	Subsidiaries acquired through establishment or investment
Guangzhou Red Star Macalline Market Management Company Limited (廣州紅星美凱龍市場經營管理有限公司)	Guangdong	Guangdong	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Haikou Tangong Industrial Company Limited (海口檀宮實業有限公司)	Hainan	Hainan	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Hong Kong Red Star Macalline Business Management Company Limited (香港紅星美凱龍商業管理有限公司)	Hong Kong	Hong Kong	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Jianliu Enterprise Management Company Limited (上海簡柳企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Macalline Aesthetic Decoration Engineering Company Limited (上海美凱龍美學裝飾工程有限公司)	Shanghai	Shanghai	Construction decoration	0	100	Subsidiaries acquired through establishment or investment
Red star macalline Glory Casa (Hainan) Home Technology Company Limited (紅星美凱龍凱撒至尊(海南)家居科技有限公司)	Hainan	Hainan	E-commerce	0	70	Subsidiaries acquired through establishment or investment
Redstar Global Holdings Limited	The Virgin Islands	The Virgin Islands	Other	0	100	Subsidiaries acquired through establishment or investment
Taiyuan Red Star Macalline Shimao Home Furnishing Company Limited (太原紅星美凱龍世貿家居廣場有限公司)	Shanxi	Shanxi	Site leasing management	60	0	Subsidiaries acquired through establishment or investment
Red Star Home (Shanghai) Technology Co., Ltd. (紅星到家(上海)科技有限公司)	Shanghai	Shanghai	E-commerce	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Suzhou Xingtong Enterprise Management Consultation Company Limited (宿州星通企業管理諮詢有限公司)	Anhui	Anhui	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Enliu Enterprise Management Company Limited (上海蔥柳企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Bencheng Enterprise Management Company Limited (上海賽程企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Ersai Enterprise Management Company Limited (上海邇賽企業管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Foshan Junda Enterprise Management Co., Ltd. (佛山郡達企業管理有限公司)	Guangdong	Guangdong	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Fanjia Information Service Company Limited (上海紅星美凱龍泛家信息服務有限公司)	Shanghai	Shanghai	E-commerce	51	0	Subsidiaries acquired through establishment or investment
Red Star Macalline GmbH	Munich Germany	Munich Germany	Other	0	100	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Home Furnishing Company Limited (上海紅星美凱龍星家居用品有限公司)	Shanghai	Shanghai	Proprietary sales	0	54	Subsidiaries acquired through establishment or investment
Red Star Macalline Shibo (Tianjin) Home Furnishing Plaza Company Limited (紅星美凱龍世博(天津)家居生活廣場有限公司)	Tianjin	Tianjin	Site leasing management	100	0	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Kunshan Red Star Macalline Global Home Furnishing Company Limited (昆山紅星美凱龍全球家居有限公司)	Jiangsu	Jiangsu	Brand management	100	0	Subsidiaries acquired through establishment or investment
Tongxiang Red Star Macalline Shibo Home Furnishing Plaza Management Company Limited (桐鄉紅星美凱龍世博家居廣場管理有限公司)	Zhejiang	Zhejiang	Brand management	100	0	Subsidiaries acquired through establishment or investment
Beijing Red Star Macalline Business Management Company Limited (北京紅星美凱龍企業經營管理有限公司)	Beijing	Beijing	Brand management	90	10	Subsidiaries acquired through establishment or investment
Wuxi Red Star Macalline Business Management Company Limited (無錫紅星美凱龍經營管理有限公司)	Jiangsu	Jiangsu	Brand management	70	30	Subsidiaries acquired through establishment or investment
Quzhou Red Star Macalline Shibo Market Management Service Company Limited (衢州紅星美凱龍世博市場管理服務有限公司)	Zhejiang	Zhejiang	Brand management	100	0	Subsidiaries acquired through establishment or investment
Changshu Red Star Macalline Global Home Furnishing Company Limited (常熟紅星美凱龍全球家居有限公司)	Jiangsu	Jiangsu	Site leasing management	0	100	Subsidiaries acquired through establishment or investment
Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘇州紅星美凱龍世博家居廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	60	0	Subsidiaries acquired through establishment or investment
Nanchang Betterhome Decoration Engineering Company Limited (南昌家倍得裝飾工程有限公司)	Jiangxi	Jiangxi	Home design	0	41	Subsidiaries acquired through establishment or investment
Red Star Macalline Glory Casa (Hong Kong) Furnishing Co., Limited (紅星美凱龍凱撒至尊(香港)家居有限公司)	Hong Kong	Hong Kong	Proprietary sales	100	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Chongqing Liangjiang New Area Red Star Macalline Business Management Co., Ltd. (重慶兩江新區紅星美凱龍商業管理有限公司)	Chongqing	Chongqing	Management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Beibao Logistics Co., Ltd. (上海倍寶物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Shanghai Beida Logistics Co., Ltd. (上海倍達物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Shanghai Beisheng Logistics Co., Ltd. (上海倍昇物流有限公司)	Shanghai	Shanghai	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Shanghai Totoro Xiansen New Retail Home Furnishing Co., Ltd. (上海龍貓先森新零售家居有限公司)	Shanghai	Shanghai	E-commerce	0	70	Subsidiaries acquired through establishment or investment
Shanghai Macalline Wenshang Business Management Co., Ltd. (上海美凱龍文商商務企業管理有限公司)	Shanghai	Shanghai	Management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Aimule Decoration Engineering Co., Ltd. (上海紅星美凱龍愛木樂裝飾工程有限公司)	Shanghai	Shanghai	Home design	0	68	Subsidiaries acquired through establishment or investment
Red Star Macalline Commercial Management Co., Ltd. (紅星美凱龍商業經營管理有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Shanghai Meiyong Industrial Co., Ltd. (上海美穎實業有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Shanghai Rongmei Industrial Co., Ltd. (上海榮美實業有限公司)	Shanghai	Shanghai	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Red Star Macalline Shibo Business Management Co., Ltd. (紅星美凱龍世博商業管理有限公司)	Xinjiang	Xinjiang	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Red Star Macalline Management Consulting Service Co., Ltd. (紅星美凱龍管理諮詢服務有限公司)	Hainan	Hainan	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Beijing Yingchuang Shixun Technology Co., Ltd. (北京盈創時訊科技有限公司)	Beijing	Beijing	E-commerce	0	100	Subsidiaries acquired through establishment or investment
Shanghai Macalline Xingshang Modular Decoration Technology Co., Ltd. (上海美凱龍星尚模數裝飾科技有限公司)	Shanghai	Shanghai	Home design	100	0	Subsidiaries acquired through establishment or investment
Jade AG Logistics Investment (Hong Kong) Limited	Hong Kong	Hong Kong	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Chengdu Airport Logistics Investment Co., Ltd. (成都空港物流投資有限公司)	Sichuan	Sichuan	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Hefei Aiguang Logistics Co., Ltd. (合肥愛廣物流有限公司)	Anhui	Anhui	Warehouse logistics	0	100	Subsidiaries acquired through establishment or investment
Longzhihui (Changzhou) Facility Management Services Company Limited (龍之惠(常州)設施管理服務有限公司)	Jiangsu	Jiangsu	Enterprise management and consultancy	0	30	Subsidiaries acquired through establishment or investment
Shanghai Red Star Macalline Technology Development Co., Ltd. (上海紅星美凱龍科技發展有限公司)	Shanghai	Shanghai	Home design	80	0	Subsidiaries acquired through establishment or investment

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Macalline Better Home Construction Technology Co., Ltd. (上海美凱龍更好家建築科技有限公司)	Shanghai	Shanghai	Home design	0	90	Subsidiaries acquired through establishment or investment
Shanghai KEMI Industry Co., Ltd. (上海科米實業有限公司)	Shanghai	Shanghai	Home design	0	100	Subsidiaries acquired through establishment or investment
Shanghai Boyang Enterprise Development Co., Ltd. (上海鉞洋企業發展有限公司)	Shanghai	Shanghai	Home design	0	100	Subsidiaries acquired through establishment or investment
Chengdu Red Star Macalline Global Home Furnishing Company Limited (成都紅星美凱龍全球家居有限公司)	Sichuan	Sichuan	Site leasing management	63	0	Subsidiaries acquired through establishment or investment
Huaihua Xingxin Commercial Management Co., Ltd. (懷化星欣商業管理有限公司)	Hunan	Hunan	Enterprise management and consultancy	0	100	Subsidiaries acquired through establishment or investment
Xiamen Red Star Macalline Expo Home Furnishing Plaza Co., Ltd. (廈門紅星美凱龍博覽家居廣場有限公司)	Fujian	Fujian	Home design	0	100	Subsidiaries acquired through establishment or investment
Hangzhou Red Star Macalline Global Home Living Company Limited (杭州紅星美凱龍環球家居有限公司)	Hangzhou	Hangzhou	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Hangzhou Weiliang Electromechanical Hardware Market Co., Ltd. (杭州偉量機電五金市場有限公司)	Hangzhou	Hangzhou	Site leasing management	0	100	Subsidiaries acquired through establishment or investment
Shaanxi Red Star Heji Home Shopping Plaza Company Limited (陝西紅星和記家居購物廣場有限公司)	Shaanxi	Shaanxi	Site leasing management	80	0	Subsidiaries acquired through establishment or investment
Shanghai Macalline Zunke Design Engineering Co., Ltd. (上海美凱龍尊科設計工程有限公司)	Shanghai	Shanghai	Home design	0	46	Subsidiaries acquired through establishment or investment

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Hainan Red Star Macalline Enterprise Management Co., Ltd. (海南紅星美凱龍企業管理有限公司)	Hainan	Hainan	Enterprise management and consultancy	100	0	Subsidiaries acquired through establishment or investment
Macalline Digital Technology Co., Ltd. (美凱龍數字科技有限公司)	Hainan	Hainan	E-commerce	100	0	Subsidiaries acquired through establishment or investment
Shenzhen Meilong Wisdom Home Decoration Engineering Co., Ltd. (深圳市美隆智慧家裝飾工程有限公司)	Guangdong	Guangdong	Home design	0	35	Subsidiaries acquired through establishment or investment
Liuzhou Red Star Macalline Home Furnishing Company Limited (柳州紅星美凱龍家居有限公司)	Guangxi Zhuang Autonomous Region	Guangxi Zhuang Autonomous Region	Site leasing management	100	0	Subsidiaries acquired through establishment or investment
Shanghai Hongxin Oukai Home Living Company Limited (上海虹欣歐凱家居有限公司)	Shanghai	Shanghai	Site leasing management	50	0	Subsidiaries acquired through business combination not under common control
Shanghai Xinwei Home Purchasing Company Limited (上海新偉置業有限公司)	Shanghai	Shanghai	Site leasing management	40	58	Subsidiaries acquired through business combination not under common control
Zhengzhou Red Star Macalline Global Home Living Plaza Management Company Limited (鄭州紅星美凱龍全球家居生活廣場經營管理有限公司)	Henan	Henan	Site leasing management	51	9	Subsidiaries acquired through business combination not under common control
Chengdu Changyi Red Star Macalline Home Living Market Management Company Limited (成都長益紅星美凱龍家居市場經營管理有限公司)	Sichuan	Sichuan	Site leasing management	0	50	Subsidiaries acquired through business combination not under common control

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Building Design Company Limited (上海紅星美凱龍建築設計有限公司)	Shanghai	Shanghai	Engineering design	0	100	Subsidiaries acquired through business combination not under common control
Wuxi Red Star Macalline Home Furnishing Plaza Company Limited (無錫紅星美凱龍家居生活廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through business combination not under common control
Langfang Kaihong Home Living Plaza Company Limited (廊坊市凱宏家居廣場有限公司)	Hebei	Hebei	Site leasing management	70	0	Subsidiaries acquired through business combination not under common control
Shanghai Red Star Macalline Intellectual Property Agency Company Limited (上海紅星美凱龍知識產權代理有限公司)	Shanghai	Shanghai	Intellectual property	0	100	Subsidiaries acquired through business combination not under common control
Shanghai Betterhome Decoration Engineering Company Limited (上海家倍得裝飾工程有限公司)	Shanghai	Shanghai	Home design	0	68	Subsidiaries acquired through business combination not under common control
Hohhot Red Star Macalline Shibo Home Furnishing Plaza Company Limited (呼和浩特市紅星美凱龍世博家居廣場有限責任公司)	Hohhot	Hohhot	Site leasing management	100	0	Subsidiaries acquired through business combination not under common control
Kunming Diken Trading Company Limited (昆明迪肯商貿有限公司)	Kunming	Kunming	Site leasing management	63	0	Subsidiaries acquired through business combination not under common control
Suzhou Industry Park Red Star Macalline Home Furnishing Company Limited (蘇州工業園區紅星美凱龍家居有限公司)	Jiangsu	Jiangsu	Site leasing management	55	0	Subsidiaries acquired through business combination not under common control

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Xingyijia Business Management Company Limited (上海星藝佳商業管理有限公司)	Shanghai	Shanghai	Management and consultancy	0	100	Subsidiaries acquired through business combination not under common control
Ningbo Red Star Macalline Home Shopping Plaza Company Limited (寧波紅星美凱龍家居購物廣場有限公司)	Zhejiang	Zhejiang	Site leasing management	80	20	Subsidiaries acquired through business combination not under common control
Shanghai Zengmin Enterprise Management Company Limited (上海增敏企業管理有限公司)	Shanghai	Shanghai	Management and consultancy	0	100	Subsidiaries acquired through business combination not under common control
Dalian Red Star Macalline Shibo Home Furnishing Plaza Company Limited (大連紅星美凱龍世博家居廣場有限公司)	Liaoning	Liaoning	Site leasing management	62	0	Subsidiaries acquired through business combination not under common control
Yongqing Yintong Construction and Development Co., Ltd. (永清銀通建設開發有限公司)	Hebei	Hebei	Industrial investment	0	70	Subsidiaries acquired through business combination not under common control
Yongqing Yintai Future Land Construction and Development Co., Ltd. (永清銀泰新城建設開發有限公司)	Hebei	Hebei	Industrial investment	0	70	Subsidiaries acquired through business combination not under common control
Yintai (Yongqing) New City Investment Co., Ltd. (銀泰(永清)新城投資有限公司)	Hebei	Hebei	Industrial investment	0	70	Subsidiaries acquired through business combination not under common control
Qianzhi (Shanghai) Home Furnishing Co., Ltd. (乾智(上海)家居有限公司)	Shanghai	Shanghai	Proprietary sales	60	0	Subsidiaries acquired through business combination not under common control

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Xinsheng Property Management (Shanghai) Co., Ltd. (鑫笙物業管理(上海)有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through business combination not under common control
Changzhou Macalline International Computer and Electronics Furnishing Plaza Company Limited (常州美凱龍國際電腦家電裝飾城有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Changzhou World Furniture and Home Plaza Co., Ltd. (常州世界傢俱家居廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Wuxi Red Star Macalline International Home Furnishing Company Limited (無錫紅星美凱龍國際傢俱裝飾有限公司)	Jiangsu	Jiangsu	Site leasing management	90	10	Subsidiaries acquired through business combination under common control
Lianyungang Red Star Macalline International Home Furnishing Plaza Company Limited (連雲港紅星美凱龍國際家居廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	60	40	Subsidiaries acquired through business combination under common control
Nanjing Red Star International Home Furnishing Mall Company Limited (南京紅星國際傢俱裝飾城有限公司)	Jiangsu	Jiangsu	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Nanjing Mingdu Home Furnishing Plaza Company Limited (南京名都家居廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	60	40	Subsidiaries acquired through business combination under common control

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Decorative Furniture Mall Co., Ltd. (上海紅星美凱龍裝飾傢俱城有限公司)	Shanghai	Shanghai	Site leasing management	92	5	Subsidiaries acquired through business combination under common control
Shanghai Red Star Macalline Global Home Furnishing Company Limited (上海紅星美凱龍全球家居有限公司)	Shanghai	Shanghai	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Shanghai Shanhai Art Furniture Company Limited (上海山海藝術家俱有限公司)	Shanghai	Shanghai	Site leasing management	0	90	Subsidiaries acquired through business combination under common control
Shanghai Red Star Macalline Home Living Market Management Company Limited (上海紅星美凱龍家居市場經營管理有限公司)	Shanghai	Shanghai	Market company	90	0	Subsidiaries acquired through business combination under common control
Changsha Red Star Macalline International Home Living Art Expo Company Limited (長沙紅星美凱龍國際家居藝術博覽中心有限公司)	Hunan	Hunan	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Jinan Red Star Macalline Shibo Home Living Plaza Company Limited (濟南紅星美凱龍世博家居生活廣場有限公司)	Shandong	Shandong	Site leasing management	70	0	Subsidiaries acquired through business combination under common control
Chengdu Red Star Macalline Shibo Home Living Plaza Company Limited (成都紅星美凱龍世博家居生活廣場有限責任公司)	Sichuan	Sichuan	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Zhengzhou Red Star Macalline International Home Furnishing Company Limited (鄭州紅星美凱龍國際家居有限公司)	Henan	Henan	Site leasing management	51	9	Subsidiaries acquired through business combination under common control

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Changzhou Red Star Macalline Home Furnishing and Decorating Market Company Limited (常州紅星美凱龍裝飾家居用品市場有限公司)	Jiangsu	Jiangsu	Market company	0	100	Subsidiaries acquired through business combination under common control
Shanghai Red Star Macalline Home Furnishing and Decorating Market Management Company Limited (上海紅星美凱龍傢俱裝飾市場經營管理有限公司)	Shanghai	Shanghai	Market company	45	53	Subsidiaries acquired through business combination under common control
Chongqing Red Star Macalline Shibo Home Living Plaza Company Limited (重慶紅星美凱龍世博家居生活廣場有限責任公司)	Chongqing	Chongqing	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Shanghai Xingkai Chengpeng Business Management Company Limited (上海星凱程鵬企業管理有限公司)	Shanghai	Shanghai	Investment management	100	0	Subsidiaries acquired through business combination under common control
Shanghai Hongmei E-Commerce Company Limited (上海紅美電子商務有限公司)	Shanghai	Shanghai	E-commerce	100	0	Subsidiaries acquired through business combination under common control
Changzhou Hongyang Home Furnishing Plaza Company Limited (常州紅陽家居生活廣場有限公司)	Jiangsu	Jiangsu	Site leasing management	0	75	Subsidiaries acquired through business combination under common control
Jiangsu Sunan Construction Company Limited (江蘇蘇南建築安裝工程有限公司)	Jiangsu	Jiangsu	Building construction	0	100	Subsidiaries acquired through business combination under common control
Shenyang Red Star Macalline Home Living Expo Company Limited (瀋陽紅星美凱龍博覽家居有限公司)	Liaoning	Liaoning	Site leasing management	100	0	Subsidiaries acquired through business combination under common control

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Subsidiary name	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Shanghai Red Star Macalline Industrial Company Limited (上海紅星美凱龍實業有限公司)	Shanghai	Shanghai	Investment management	100	0	Subsidiaries acquired through business combination under common control
Beijing Red Star Macalline International Home Furnishing Plaza Company Limited (北京紅星美凱龍國際傢俱建材廣場有限公司)	Beijing	Beijing	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Beijing Red Star Macalline Shibo Furniture Plaza Company Limited (北京紅星美凱龍世博傢俱廣場有限公司)	Beijing	Beijing	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Beijing Macalline Home Furnishing Material Market Company Limited (北京美凱龍傢俱建材市場有限公司)	Beijing	Beijing	Market company	20	80	Subsidiaries acquired through business combination under common control
Beijing Red Star Macalline Shibo Home Furnishing Plaza Company Limited (北京紅星美凱龍世博傢俱建材廣場有限公司)	Beijing	Beijing	Market company	0	100	Subsidiaries acquired through business combination under common control
Baotou Red Star Macalline Home Furnishing Plaza Company Limited (包頭紅星美凱龍家居生活廣場有限責任公司)	Inner Mongolia	Inner Mongolia	Site leasing management	100	0	Subsidiaries acquired through business combination under common control
Red Star Macalline Global (Beijing) Home Furnishing Plaza Company Limited (紅星美凱龍環球(北京)傢俱建材廣場有限公司)	Beijing	Beijing	Site leasing management	0	100	Subsidiaries acquired through business combination under common control
Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業管理服務有限公司)	Shanghai	Shanghai	Property management	100	0	Subsidiaries acquired through business combination under common control

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Explanation of the shareholding ratio is not equal to the voting right ratio in the subsidiary:

According to the relevant contract signed between the Company and Shandong Furong Group Co., Ltd. (山東芙蓉集團有限公司), a shareholder of Jinan Red Star Macalline Shibo Home Living Plaza Company Limited (濟南紅星美凱龍世博家居生活廣場有限公司), after the completion of the relevant cooperative project buildings, Shandong Furong Group Co., Ltd. got part of property rights of the buildings, which is rented by the Group. The lease term is 10 years (2021 to 2030). Shandong Furong Group Co., Ltd. obtained a fixed rental return and did not participate in the daily management and other profit distribution of Jinan Red Star. According to the relevant contract, the Group reclassified the capital contribution of Shandong Furong Group Co., Ltd. into liabilities and does not treated it as an equity instrument.

According to the relevant contract signed between the Company and Beijing Chaoyang North Garden Agriculture and Industry Co., Ltd. (北京市朝陽北花園農工商公司), a shareholder of Beijing Century Europe and America Business Investment Company Limited (北京世紀歐美商業投資有限公司), the Group contracted to operate Beijing Century Europe and America Business within the project cooperation period. Starting from the 12th month after construction commencement day, the Group shall pay a fixed contract profit to Beijing Chaoyang North Garden Agriculture and Industry Co., Ltd. The cooperative operation period is 50 years (2011 to 2060). Upon expiration of the cooperative operation period, all land, buildings and non-demolition facilities of the project company shall be shared by both shareholders in proportion to the registered capital. According to the relevant contract, the Group reclassified the capital contribution of Beijing Chaoyang North Garden Agriculture and Industry Co., Ltd. into liabilities and does not treated it as an equity instrument.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of enterprise group (continued)

Basis for having not more than half of voting rights but maintaining control over invested units as well as having more than half of voting rights but waiving control over invested units:

Notes 1: Shanghai Red Star Macalline International Trading Company Limited (上海紅星美凱龍國際貿易有限公司) controlled by the Group accounts for 55% of the percentage of equity of Shanghai Ditu Home Furnishing Company Limited (上海締圖家居有限公司). Pursuant to the Articles of Association, resolutions of the general meeting shall be approved by shareholders representing at least half of voting rights of the whole shareholders, and the Group could exercise control over it.

Notes 2: Shanghai Red Star Macalline International Trading Company Limited (上海紅星美凱龍國際貿易有限公司) controlled by the Group accounts for 51% of the percentage of equity of Shanghai Red Star Macalline Home Furnishing Trading Company Limited (上海紅星美凱龍美居商貿有限公司). Pursuant to the Articles of Association, the company has one executive director, who is appointed by the Group, and the Group could exercise control over it.

Notes 3: Other shareholders of Longzhahui (Shanghai) Facility Management Services Co., Ltd. (龍之惠(上海)設施管理服務有限公司) will not participate in the specific operation and management of Company and the Group has the rights to determine its financial and operational policies, and could exercise control over it.

Note 4: The board of directors of Shanghai Hongxin Oukai Home Living Company Limited (上海虹欣歐凱家居有限公司) totally sets five seats and three of which were appointed by the Group. CHE Jianxing (車建興), serves as its chairman. According to the Articles of Association, the resolution of the board of directors needs to be passed by more than half of all directors, and the Group could exercise control over it.

Note 5: The board of directors of Chengdu Changyi Red Star Macalline Home Living Market Management Company Limited (成都長益紅星美凱龍家居市場經營管理有限公司) totally sets five seats, three of which were appointed by the Group. CHE Jianxing serves as the chairman. According to the Articles of Association, the resolution of the board of directors needs to be passed by more than half of all directors, and the Group could exercise control over it.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2) Important non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Subsidiary name	Minority shareholders' interests ratio (%)	Profit/loss attributable to minority shareholders in the current period	Dividend announced to be distributed to minority shareholders in the current period	Accumulated minority shareholders interests by the end of the period
Zhengzhou Red Star	39.69	99,304,077.29	36,950,000.00	1,011,685,618.76
Yintai New City Investment	30.00	(264,991.94)		424,667,246.90
Suzhou Red Star	45.00	42,601,151.53		504,331,240.47

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Important financial information of important non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Subsidiary name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhengzhou Red Star	842,106,603.56	3,891,378,949.52	4,733,485,553.08	233,152,134.67	1,772,547,675.56	2,005,699,810.23	863,508,684.86	3,713,465,513.60	4,576,974,198.46	201,489,865.64	1,787,897,827.29	1,989,387,692.93
Yintai New City Investment	308,706,812.03	2,520,707,609.03	2,829,414,421.06	706,026,138.81	459,251,811.26	1,165,277,950.07	294,785,944.25	2,466,774,402.88	2,761,560,347.13	637,288,758.43	459,251,811.26	1,096,540,569.69
Suzhou Red Star	493,046,184.76	1,720,279,757.15	2,213,325,941.91	175,569,584.95	917,020,267.03	1,092,589,851.98	467,057,381.54	1,650,726,001.73	2,117,783,383.27	170,500,590.90	921,215,928.06	1,091,716,518.96

Subsidiary name	Amount for the period				Amount for previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Zhengzhou Red Star	184,636,797.82	250,199,237.33	250,199,237.33	152,585,182.95	133,560,783.38	110,474,694.00	110,474,694.00	57,001,279.63
Yintai New City Investment	-	(883,306.45)	(883,306.45)	8,862,366.68	-	(5,986,647.08)	(5,986,647.08)	(10,212,431.57)
Suzhou Red Star	92,967,552.56	94,669,225.62	94,669,225.62	78,419,832.30	79,357,255.96	104,092,018.63	104,092,018.63	65,864,524.61

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates

(1) Important joint ventures or associates

Unit: Yuan Currency: RMB

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Sichuan	Sichuan	Site leasing management	50.00	–	Equity method
Shanghai CTME Economy & Trade Development Co., Ltd. (上海中貿美凱龍經貿發展有限公司)	Shanghai	Shanghai	Wholesale and retail	–	40.00	Equity method
Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	Shanghai	Shanghai	Leasing and commercial services	50.00	–	Equity method
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Anhui	Anhui	Leasing and commercial services	8.00	40.00	Equity method
Wuhu Red Star Macalline Equity Investment Fund Management Company Limited (蕪湖紅星美凱龍股權投資基金管理有限公司)	Anhui	Anhui	Leasing and commercial services	–	50.00	Equity method
Baoxiang Red Star Macalline (Xiamen) Global Home Plaza Co., Ltd. (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Fujian	Fujian	Wholesale and retail	50.00	–	Equity method
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	Guangdong	Guangdong	Wholesale and retail	–	43.00	Equity method

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	Guangdong	Guangdong	Leasing and commercial services	60.00	–	Equity method
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd. (廣州紅星美凱龍世博家居廣場有限公司)	Guangdong	Guangdong	Wholesale and retail	–	50.00	Equity method
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Fujian	Fujian	Wholesale and retail	50.00	–	Equity method
Haier Consume Financing Company Limited (海爾消費金融有限公司)	Shandong	Shandong	Finance	–	25.00	Equity method
Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	Shandong	Shandong	Leasing and commercial services	46.50	–	Equity method
Shenyudao Cultural Tourism Holding Co., Ltd. (神玉島文化旅遊控股股份有限公司)	Hainan	Hainan	Residential services, maintenance and other services	35.00	–	Equity method
Yaxiya Building Materials Co., Ltd. (亞細亞建築材料股份有限公司)	Shanghai	Shanghai	Wholesale and retail	–	20.00	Equity method
Guangdong Sanweijia Information Technology Co., Ltd. (廣東三維家信息科技有限公司)	Guangdong	Guangdong	Information transmission, software and information technology services	–	11.04	Equity method

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Sunseaparking Inc	Cayman	Cayman	Transportation, storage and postage	-	7.50	Equity method
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	Hubei	Hubei	Transportation, storage and postage	18.00	-	Equity method
Guangdong VIFA Customized Home Furnishings Co., Ltd. (廣東威法定制家居股份有限公司)	Guangdong	Guangdong	Manufacture	-	6.50	Equity method
Weifang Binxing Properties Co., Ltd. (濰坊濱星置業有限公司)	Shandong	Shandong	Real estate	-	30.00	Equity method
Zhejiang Zhongguang Electric Appliances Co., Ltd. (浙江中廣電器股份有限公司)	Zhejiang	Zhejiang	Wholesale and retail	-	8.14	Equity method
Shanghai Xincheng'an Construction Co., Ltd. (上海鑫誠安建設有限公司)	Liaoning	Liaoning	Construction	-	30.00	Equity method
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司)	Shanghai	Shanghai	Science research and technology service	-	10.00	Equity method
LEAWOD Door and Window Profiles Company (四川良木道門窗型材有限公司)	Sichuan	Sichuan	Manufacture	-	24.20	Equity method
Suzhou Supin Home Culture Co., Ltd. (蘇州市蘇品宅配文化有限公司)	Jiangsu	Jiangsu	Manufacture	-	15.00	Equity method
Shenzhen Red Star Macalline Home Furnishing Plaza Company Limited (深圳紅星美凱龍家居生活廣場有限公司)	Guangdong	Guangdong	Wholesale and retail	-	37.00	Equity method

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Ant live (Tianjin) Network Technology Co., Ltd. (蟻安居(天津)網絡技術有限公司)	Tianjin	Tianjin	Science research and technology service	–	16.67	Equity method
Beijing Bilin Hongke Technology Co., Ltd. (北京比鄰弘科科技有限公司)	Beijing	Beijing	Science research and technology service	–	10.00	Equity method
Shanghai Qiangshang Environmental Technology Company Limited (上海牆尚環保科技有限公司)	Shanghai	Shanghai	Wholesale and retail	–	8.00	Equity method
Shanghai CONJOINT Construction Technology Co., Ltd. (上海開裝建築科技有限公司)	Shanghai	Shanghai	Science research and technology service	–	14.61	Equity method
Icolor Private Limited	Cayman	Cayman	Construction	–	8.00	Equity method
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Shanghai	Shanghai	Science research and technology service	–	11.78	Equity method
Chengdu Rhine Etam Furniture Co., Ltd. (成都艾格傢俱有限公司)	Sichuan	Sichuan	Manufacture	–	29.56	Equity method
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家居科技有限公司)	Jiangsu	Jiangsu	Science research and technology service	–	10.00	Equity method
Shanghai Jinjiang United Purchasing Supply Chain Co., Ltd. (上海錦江聯採供應鏈有限公司)	Shanghai	Shanghai	Transportation, storage and postage	10.00	–	Equity method
BigZone Information Technology (Shanghai) Company Limited (大域信息科技(上海)有限公司)	Shanghai	Shanghai	Science research and technology service	–	14.29	Equity method

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
ArtPollo Network Technology (Beijing) Company Limited (愛菠蘿網絡科技(北京)有限公司)	Beijing	Beijing	Technology promotion and application service	–	15.00	Equity method
Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	Shanghai	Shanghai	Construction	–	10.00	Equity method
Beijing Canny-Robot Technology Co., Ltd. (北京康力優藍機器人科技有限公司)	Beijing	Beijing	Science research and technology service	–	6.00	Equity method
Shenzhen Yatai Macalline Life Space Technology Co., Ltd. (深圳市亞泰美凱龍空間科技有限公司)	Guangdong	Guangdong	Wholesale and retail	49.00	–	Equity method
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	Shanghai	Shanghai	Construction	4.90	–	Equity method
Guangzhou Huoshu Yinhua Information Technology Co., Ltd. (廣州火數銀花信息科技有限公司)	Guangdong	Guangdong	Information transmission, software and information technology services	–	11.66	Equity method
Shenzhen Huasheng Home Furnishing Group Co., Ltd. (深圳華生大家居集團有限公司)	Guangdong	Guangdong	Leasing and commercial services	–	9.00	Equity method
Yimeijisi Optoelectronics Technology (Fujian) Co., Ltd. (誼美吉斯光電科技(福建)有限公司)	Fujian	Fujian	Science research and technology service	–	4.95	Equity method
Anka Household Products (Shanghai) Co., Ltd. (安咖家居用品(上海)有限公司)	Shanghai	Shanghai	Wholesale and retail	–	10.00	Equity method

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	Guangdong	Guangdong	Wholesale and retail	–	10.00	Equity method
Wuhu Meihe Asset Management Company Limited (蕪湖美和資產管理有限公司)	Anhui	Anhui	Finance	–	49.00	Equity method
Shanghai AI.Pure Intelligent Technology Co., Ltd. (上海智諦智能科技有限公司)	Shanghai	Shanghai	Wholesale and retail	–	30.00	Equity method
Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	Shanghai	Shanghai	Construction	–	22.41	Equity method
Meishang (Guangzhou) Cosmetics Co., Ltd. (美尚(廣州)化妝品股份有限公司)	Guangdong	Guangdong	Wholesale and retail	–	8.29	Equity method
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Shanghai	Shanghai	Wholesale and retail	–	40.00	Equity method
Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍家居科技有限公司)	Shanghai	Shanghai	Wholesale and retail	–	49.00	Equity method
Zhongzhuang Central Purchasing (Beijing) Information Technology Co., Ltd. (中裝集採(北京)信息技術有限公司)	Beijing	Beijing	Science research and technology service	–	35.00	Equity method
Xingpai Commercial Property Management (Guangzhou) Co., Ltd. (星派商業物業經營(廣州)有限公司)	Guangdong	Guangdong	Leasing and commercial services	–	32.00	Equity method

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(1) Important joint ventures or associates (continued)

Name of joint venture or associate	Main business site	Place of incorporation	Business nature	Shareholding ratio (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
CSSC Cruise Industrial Development (Shanghai) Co., Ltd. (中船郵輪產業發展(上海)有限公司)	Shanghai	Shanghai	Water transportation	-	34.29	Equity method
Shanghai Xingyue Property Service Co., Ltd. (上海星悅物業服務有限公司)	Shanghai	Shanghai	Business service	-	9.90	Equity method
Changyuanxin Supply Chain Management (Dongguan) Co., Ltd. (昌源鑫供應鏈管理(東莞)有限公司)	Guangdong	Guangdong	Business service	-	19.25	Equity method

The grounds for holding less than 20% of the voting rights in the investees but the Group has significant influence over these investees, and the grounds for holding 20% or more of the voting rights in the investees over which the Group does not have significant influence:

The Group delegates directors to the Company, which has significant influence to the Company.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(2) Major financial information of important joint ventures

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the period Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Opening balance/ Amount for previous period Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)
Current assets	321,565,669.94	292,186,568.64
Including: Cash and cash equivalents	75,074,378.94	54,771,534.60
Non-current assets	1,810,442,414.03	1,818,589,277.40
Total assets	2,132,008,083.97	2,110,775,846.04
Current liabilities	94,458,498.97	95,790,932.62
Non-current liabilities	399,033,767.56	398,462,489.92
Total liabilities	493,492,266.53	494,253,422.54
Non-controlling interests	-	-
Equity attributable to owners of the Company	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(2) Major financial information of important joint ventures (continued)

	Closing balance/ Amount for the period Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Opening balance/ Amount for previous period Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)
Net assets share calculated based on the shareholding ratio	819,257,908.72	808,261,211.75
Adjustments	-	-
- Goodwill	-	-
- Unrealised profit of internal transaction	-	-
- Other	-	-
Book value of joint venture equity investment	819,257,908.72	808,261,211.75
Operating revenue	57,087,235.74	52,562,851.75
Financial expenses	(1,794,579.46)	(3,177,844.75)
Income tax expense	6,211,876.43	5,375,761.30
Net profit	21,993,393.94	15,520,384.59
Net profit of discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	21,993,393.94	15,520,384.59
Dividends received from joint ventures for the year	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(3) Major financial information of important associates

Unit: Yuan Currency: RMB

	Closing balance/Amount for the period		Opening balance/Amount for previous period	
	Haier Consume Financing Company Limited (海爾消費金融 有限公司)	Shandong Inzone Green Home Co., Ltd. (山東銀座家居 有限公司)	Haier Consume Financing Company Limited (海爾消費金融 有限公司)	Shandong Inzone Green Home Co., Ltd. (山東銀座家居 有限公司)
Current assets	12,273,922,679.08	214,467,452.39	9,751,892,599.04	166,567,593.71
Including: Cash and cash equivalents	502,121,493.40	158,290,649.47	1,030,545,996.65	151,610,378.25
Non-current assets	239,812,926.81	1,111,773,568.56	398,486,246.38	1,184,755,354.97
Total assets	12,513,735,605.89	1,326,241,020.95	10,150,378,845.42	1,351,322,948.68
Current liabilities	5,360,190,761.42	424,323,970.63	5,057,892,054.96	446,138,386.97
Non-current liabilities	5,526,480,000.00	186,202,253.63	3,534,022,000.00	223,239,348.76
Total liabilities	10,886,670,761.42	610,526,224.26	8,591,914,054.96	669,377,735.73
Non-controlling interests	-	-	-	-
Equity attributable to owners of the Company	-	-	-	-
Net assets share calculated based on the shareholding ratio	406,766,211.12	332,807,380.46	389,616,197.62	317,104,524.02
Adjustments	-	62,006,041.48	-	62,006,041.48
- Goodwill	-	-	-	-
- Unrealised profit of internal transaction	-	-	-	-
- Other	-	62,006,041.48	-	62,006,041.48
Book value of associates equity investment	406,766,211.12	394,813,421.94	389,616,197.62	379,110,565.50
Fair value of associates equity investment of public offer	-	-	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(3) Major financial information of important associates (continued)

	Closing balance/Amount for the period		Opening balance/Amount for previous period	
	Haier Consume Financing Company Limited (海爾消費金融 有限公司)	Shandong Inzone Green Home Co., Ltd. (山東銀座家居 有限公司)	Haier Consume Financing Company Limited (海爾消費金融 有限公司)	Shandong Inzone Green Home Co., Ltd. (山東銀座家居 有限公司)
Operating revenue	731,833,688.98	186,193,005.76	680,262,572.21	147,433,250.66
Net profit	77,290,329.58	33,769,583.74	37,990,453.25	48,279,352.51
Net profit of discontinued operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	77,290,329.58	33,769,583.74	37,990,453.25	48,279,352.51
Dividends received from associates for the year	-	-	-	-

Others

Nil

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(4) Consolidated financial information of unimportant joint ventures and associates

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the period	Opening balance/ Amount for previous period
Joint ventures:		
Total book value of the investments	242,035,261.94	200,529,013.33
The aggregate of following items calculated based on the shareholding ratio		
– Net profit	7,716,099.16	2,223,881.56
– Other comprehensive income		
– Total comprehensive income	7,716,099.16	2,223,881.56
Associates:		
Total book value of the investments	1,899,354,753.30	1,926,378,504.29
The aggregate of following items calculated based on the shareholding ratio		
– Net profit	(39,079,239.06)	(43,616,530.57)
– Other comprehensive income		
– Total comprehensive income	(39,079,239.06)	(43,616,530.57)

Others

Nil

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(5) Excess loss generated in joint ventures or associates

Unit: Yuan Currency: RMB

Name of joint venture or associate	Cumulative unrecognised prior period accumulated losses	Unrecognised loss in the current period (or net profit shared in the current period)	Accumulated unrecognised loss at the end of period
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活 廣場有限公司)	(23,258,728.96)	(12,809,502.22)	(36,068,231.18)
Shanghai AI.Pure Intelligent Technology Co., Ltd. (上海智諦智能科技有限公司)	(1,377,483.94)	(432,331.79)	(1,809,815.73)
Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍 家居科技有限公司)	(1,824,419.58)	(950,702.99)	(2,775,122.57)

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

The book values of various financial instruments on the balance sheet date are as follows:

30 June 2021

Financial assets

	Financial assets at fair value through profit or loss Required by the standards	Financial assets measured at amortized cost	Financial assets at fair value through other comprehensive income Required by the standards	Designated	Total
Cash and bank balance		6,604,536,110.72			6,604,536,110.72
Financial assets held for trading	713,790,476.43				713,790,476.43
Derivative financial assets	398,953.74				398,953.74
Accounts receivable		2,231,849,762.12			2,231,849,762.12
Receivables financing			63,644,128.05		63,644,128.05
Other receivables		2,328,909,564.57			2,328,909,564.57
Non-current assets due within one year		512,797,220.04			512,797,220.04
Other current assets		1,248,083,562.04			1,248,083,562.04
Long-term receivables		452,279,323.70			452,279,323.70
Other equity instrument investment				5,520,220,984.75	5,520,220,984.75
Other non-current financial assets	389,174,540.60				389,174,540.60
Other non-current assets		870,763,601.62			870,763,601.62
	1,103,363,970.77	14,249,219,144.81	63,644,128.05	5,520,220,984.75	20,936,448,228.38

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

The book values of various financial instruments on the balance sheet date are as follows: (continued)

30 June 2021

Financial liabilities

	Financial liabilities measured at amortized cost
Short-term loans	3,481,091,963.09
Accounts payable	1,908,905,696.91
Other payables	11,165,143,267.28
Non-current liabilities due within one year	13,745,453,169.18
Long-term loans	22,650,467,329.40
Bonds payable	2,924,652,113.48
Lease liabilities	4,064,261,034.57
Long-term payables	701,382,218.28
Other non-current liabilities	1,012,010,038.23
	61,653,366,830.42

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

The book values of various financial instruments on the balance sheet date are as follows: (continued)

2020

Financial assets

	Financial assets at fair value through profit or loss Required by the standards	Financial assets measured at amortized cost	Financial assets at fair value through other comprehensive income Required by the standards Designated		Total
Cash and bank balance		6,511,092,198.09			6,511,092,198.09
Financial assets held for trading	247,611,072.73				247,611,072.73
Derivative financial assets	2,160,732.11				2,160,732.11
Accounts receivable		1,934,826,113.43			1,934,826,113.43
Receivables financing			5,872,800.00		5,872,800.00
Other receivables		1,493,654,743.28			1,493,654,743.28
Non-current assets due within one year		248,704,377.99			248,704,377.99
Other current assets		1,667,072,300.50			1,667,072,300.50
Long-term receivables		532,498,896.89			532,498,896.89
Other equity instrument investment				4,206,678,046.54	4,206,678,046.54
Other non-current financial assets	396,924,540.60				396,924,540.60
Other non-current assets		1,019,580,321.75			1,019,580,321.75
	646,696,345.44	13,407,428,951.93	5,872,800.00	4,206,678,046.54	18,266,676,143.91

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

The book values of various financial instruments on the balance sheet date are as follows: (continued)

2020

Financial liabilities

	Financial liabilities measured at amortized cost
Short-term loans	3,448,371,909.45
Accounts payable	2,085,329,223.24
Other payables	8,976,309,037.22
Non-current liabilities due within one year	11,897,443,643.72
Other current liabilities	439,283,229.30
Long-term loans	22,212,429,627.44
Bonds payable	4,432,634,711.35
Lease liabilities	4,082,933,276.21
Long-term payables	712,856,318.61
Other non-current liabilities	3,833,098,699.03
	62,120,689,675.57

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments

The Group faces various risks of financial instruments during daily activities, mainly including credit risks, liquidity risks and market risks (including foreign exchange risk, interest rate risk and price risk). Major financial instruments of the Group include cash and bank balances, financial assets held for trading, derivative financial assets, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, long-term receivables, other equity instrument investment, other non-current financial assets, other non-current assets, accounts payable, other payables, long-term payables, short-term loans, non-current liabilities due within one year, long-term loans, bonds payable, other non-current liabilities and lease liabilities. The following will show the risks relating to these financial instruments and the risk management strategies the Group adopted to reduce the relevant risks.

The Board is responsible for planning and establishing the risk management structure of the Group, working out the risk management policies and relevant guidelines of the Group and supervising the implementation of the risk management measures. The Group has worked out risk management policies to identify and analyze the risks it faced. These risk management policies have clearly defined specific risks, covering market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and its operating activities to decide whether or not to update the risk management policies and systems. The Group's risk management is conducted by the risk management committee according to the policies approved by the Board. The risk management committee identifies, assesses and avoids relevant risks via close cooperation with other business departments of the Group. The internal audit department of the Group conducts regular review on the risk management control and procedures and reports the review results to the audit committee of the Group.

The Group diversifies risks of financial instruments through appropriate diversified investments and business portfolios and works out relevant risk management policies to reduce the risks concentrated in any single industry, specific region or specific counterparty.

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Credit risks

The Group only conducts transactions with accredited and reputable third parties. According to the Group's policies, all the customers who require credit-based transactions are subject to credit audit. Moreover, the Group keeps monitoring the balances of accounts receivable to ensure it will not face material bad debt risks. Regarding transactions not settled in the recording currency of the relevant operating entities, the Group will not provide any credit transaction conditions, save as otherwise approved by the credit control department of the Group.

As our counterparties of cash and bank balance and bank acceptances receivable are banks with a good reputation and a high credit rating, the credit risks of these financial instruments are relatively low.

Other financial assets of the Group include accounts receivable, other receivables, non-current assets due within one year, other current assets and long-term receivables. Credit risks of these financial assets result from default of the counterparties and the maximum risk exposure equals the book values of these instruments.

The maximum credit risk exposure faced by the Group on each balance sheet date is the total amount collected from customers minus the impairment allowance.

As the customers whose accounts are receivable by the Group are engaged in different departments and sectors, there is no significant credit concentration risk for the Group. The Group held no collateral or other credit enhancement on the balance of accounts receivable.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Credit risks (continued)

Criteria for judging significant increases in credit risk

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition at each balance sheet date. While determining whether the credit risk has increased significantly since initial recognition, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk rating and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the default risk of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

- Quantitative criteria mainly comprise the circumstance that at the reporting date, the increase in remaining lifetime probability of default is considered significant comparing with the one at initial recognition;
- Qualitative criteria mainly comprise significant adverse change in debtor's operation or financial status, and being listed on the watch-list etc.;

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Credit risks (continued)

Definition of credit-impaired assets

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- significant financial difficulty of the issuer or the debtor;
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulty of the issuer or the debtor;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- a breach of contract by the debtor.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily caused by a single event.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Credit risks (continued)

Parameters of expected credit loss (ECL) measurement

According to whether there is a significant increase in credit risk and whether there is a credit impairment, the Group measures the impairment losses for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relevant definitions are as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the mobility model, taking into account the forward-looking information to reflect the debtor's PD under the current macroeconomic environment;
- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- EAD is the amount that the Group should be reimbursed at the time of default in the next 12 months or throughout the entire remaining lifetime.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various types of businesses. The impact of these economic indicators on PD and LGD varies in different types of businesses. Refer to "Financial Reports V. 4, 7, 9, 10, 11, 12 and 25" for risk exposure of accounts receivable, other receivables, contract assets, non-current assets due within one year, other current assets, long-term receivables and other non-current assets.

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Liquidity risk

The Group manages its risk to deficiency of funds using a recurring liquidity planning tool. This tool considers both the maturity of its financial instruments and the projected flows from the Group's operations.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of bank borrowings, bonds and other interest-bearing borrowings and other financing methods. 43.6% (31 December 2020: 39.3%) of the Group's debts would mature in less than one year as at 30 June 2021.

The table below summarizes the maturity profile of financial liabilities based on the undiscounted contractual cash flows:

2021

	Within one year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	1,908,905,696.91	-	-	-	1,908,905,696.91
Other payables	11,165,143,267.28	-	-	-	11,165,143,267.28
Long-term payables	-	274,850,679.31	207,335,079.34	723,642,626.58	1,205,828,385.23
Short-term loans	3,564,465,872.66	-	-	-	3,564,465,872.66
Non-current liabilities due					
within one year	13,862,034,138.85	-	-	-	13,862,034,138.85
Long-term loans	1,014,772,558.54	4,241,256,946.67	10,438,754,709.97	11,500,721,925.23	27,195,506,140.41
Bonds payable	131,179,937.50	3,166,440,232.36	-	-	3,297,620,169.86
Lease liabilities	-	742,350,400.45	1,962,782,459.23	3,030,211,914.27	5,735,344,773.95
Other non-current liabilities	49,285,003.81	548,810,365.26	520,054,794.52	-	1,118,150,163.59
	31,695,786,475.55	8,973,708,624.05	13,128,927,043.06	15,254,576,466.08	69,052,998,608.74

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Liquidity risk (continued)

2020

	Within one year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	2,085,329,223.24	–	–	–	2,085,329,223.24
Other payables	8,976,309,037.22	–	–	–	8,976,309,037.22
Long-term payables	–	76,615,005.35	497,162,694.85	841,474,985.22	1,415,252,685.42
Short-term loans	3,493,263,394.18	–	–	–	3,493,263,394.18
Non-current liabilities due					
within one year	12,029,085,303.41	–	–	–	12,029,085,303.41
Other current liabilities	463,340,681.26	–	–	–	463,340,681.26
Long-term loans	1,159,349,814.30	4,263,619,193.63	10,764,903,207.36	12,356,625,214.17	28,544,497,429.47
Bonds payable	205,490,337.50	1,173,358,830.65	3,537,762,144.35	–	4,916,611,312.50
Lease liabilities	251,356,986.86	882,800,122.28	2,200,950,458.76	5,834,463,292.29	9,169,570,860.19
Other non-current liabilities	243,715,320.00	3,485,798,258.96	524,386,877.04	–	4,253,900,456.00
	28,907,240,098.12	9,882,191,410.87	17,525,165,382.36	19,032,563,491.68	75,347,160,383.03

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the floating-rate long-term liabilities of the Group.

The table below is a sensitivity analysis of interest rate risk, which reflects the impact on net profit or loss (through the impact on floating-rate borrowings) after tax, when there are reasonable and potential changes in interest rates, under the presumption that all other variables remain unchanged.

2021

	Increase/(decrease) in basis point	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholders' equity
Bank borrowings	50	(82,488,825.26)	(82,488,825.26)
Bank borrowings	(50)	82,488,825.26	82,488,825.26

2020

	Increase/(decrease) in basis point	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholders' equity
Bank borrowings	50	(76,741,711.89)	(76,741,711.89)
Bank borrowings	(50)	76,741,711.89	76,741,711.89

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Market risk (continued)

Exchange rate risk

Exchange rate risk refers to the risk of losses arising from change in exchange rate. The Group's exposure to foreign currency risk mainly relates to USD, HKD and EURO. Main business activities of the Group's subsidiaries in mainland China are valued and settled in RMB, with a small amount of foreign currency deposits, borrowings and bonds. Main business activities of the Group's subsidiaries in Hong Kong are valued and settled in HKD or USD.

The Group's policy is to negotiate and match the term of the hedging derivative with the term of the hedged item, so as to make the hedging most effective. The Group has an exchange rate risk exposure arising from the issuance of US dollar bonds. The Group uses structured currency swaps and options portfolio products composed of written options and purchase options to reduce exchange rate risk exposure.

The table below is a sensitivity analysis of exchange rate risk, which reflects the impact on net profit or loss after tax, when there are reasonable and potential changes in USD, EURO and HKD exchange rates, under the presumption that all other variables remain unchanged.

2021

	Increase/(decrease) in basis point	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholders' equity
Depreciation of RMB against USD	(5.00)	(11,705,826.22)	(11,705,826.22)
Appreciation of RMB against USD	5.00	11,705,826.22	11,705,826.22
Depreciation of RMB against HKD	(5.00)	1,209,110.85	1,209,110.85
Appreciation of RMB against HKD	5.00	(1,209,110.85)	(1,209,110.85)
Depreciation of RMB against EURO	(5.00)	(50,551,857.37)	(50,551,857.37)
Appreciation of RMB against EURO	5.00	50,551,857.37	50,551,857.37

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Market risk (continued)

Exchange rate risk (continued)

2020

	Increase/(decrease) in basis point	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholders' equity
Depreciation of RMB against USD	(5.00)	(11,608,875.12)	(11,608,875.12)
Appreciation of RMB against USD	5.00	11,608,875.12	11,608,875.12
Depreciation of RMB against HKD	(5.00)	27,098.03	27,098.03
Appreciation of RMB against HKD	5.00	(27,098.03)	(27,098.03)
Depreciation of RMB against EURO	(5.00)	(49,962,836.72)	(49,962,836.72)
Appreciation of RMB against EURO	5.00	49,962,836.72	49,962,836.72

Price risk of equity instrument investment

Price risk of equity instrument investment is the risk that the fair values of equity securities decrease as a result of changes in the levels of share indices and the value of individual securities. The Group was exposed to price risk of equity instrument investment arising from individual equity instrument investment classified as equity instrument investment measured at fair value through profit or loss and equity instrument investment measured at fair value through other comprehensive income as at 31 December 2020. The Group's listed equity instrument investments are listed on the stock exchange in Shanghai and Shenzhen and are measured at quoted market prices at the balance sheet date.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Price risk of equity instrument investment (continued)

Following are market stock indices of the following stock exchanges at the end of the trading day closest to the balance sheet date, and their respective highest closing point and the lowest closing point during the year:

	30 June 2021	2021 Highest/Lowest	End of 2020	2020 Highest/Lowest
SSE – A Share Index	3,591	3,732/3,328	3,473	3,475/2,647
SZSE – A Share Index	15,162	16,293/13,252	14,471	14,477/9,531
NY – Dow Jones Index	34,503	35,631/29,856	N/A	N/A

The table below demonstrates the sensitivity of the Group's net profit or loss and net other comprehensive income after tax to every 10% change in the fair values of equity instrument investments, with all other variables held constant (based on their book values at the balance sheet date).

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of Financial Instruments (continued)

Price risk of equity instrument investment (continued)

2021

	Book value of equity instrument investment	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
Equity instrument investments				
SSE – Measured at fair value through profit or loss	6,295,608.75	535,126.74		535,126.74
– Measured at fair value through other comprehensive income	1,848,911,541.19		141,364,224.11	141,364,224.11
SZSE – Measured at fair value through profit or loss	18,590,574.00	1,580,198.79		1,580,198.79
– Measured at fair value through other comprehensive income	249,408,000.00		21,199,680.00	21,199,680.00
NY – Measured at fair value through profit or loss				
– Measured at fair value through other comprehensive income	1,460,753,742.14		121,242,560.60	121,242,560.60
Non-listed equity instrument investments at fair value				
– Measured at fair value through other comprehensive income	1,961,147,701.42		147,086,077.61	147,086,077.61

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Capital Management

The key objective of the Group's capital management is to ensure the Group's ability to operate on a going concern basis and maintain healthy capital ratios so as to support business growth and maximize shareholder value.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not constrained by any external mandatory requirements on capital. In 2021 and 2020, there was no change in the Group's capital management objectives, policies or procedures.

The Group manages its capital with the gearing ratio, which refers to net liabilities divided by the total sum of adjusted capital and net liabilities. Net liabilities include bank loans, bonds payable and financial lease payable (net of cash and cash equivalents), and adjusted capital is the equity of the Group attributable to the Company. The gearing ratio of the Group as of the balance sheet date is as follows:

	30 June 2021	31 December 2020
Short-term loans	3,481,091,963.09	3,448,371,909.45
Non-current liabilities due within one year	13,745,453,169.18	11,897,443,643.72
Other current liabilities	–	439,283,229.30
Long-term loans	22,650,467,329.40	22,212,429,627.44
Bonds payable	2,924,652,113.48	4,432,634,711.35
Financial lease payable	121,702,741.45	143,010,065.65
Other non-current liabilities	1,012,010,038.23	3,833,098,699.03
Lease liabilities	4,064,261,034.57	4,082,933,276.21
Cash and cash equivalents	4,414,510,955.76	5,901,061,909.81
Net liabilities	43,585,127,433.64	44,588,143,252.34
Adjusted capital	47,821,511,854.36	45,842,632,982.13
Capital and net liabilities	91,406,639,288.00	90,430,776,234.47
Gearing ratio	48%	49%

IX. DISCLOSURE OF FAIR VALUE

1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

Unit: Yuan Currency: RMB

Items	Closing fair value			Total
	Fair value measurement in first level	Fair value measurement in second level	Fair value measurement in third level	
1. Persistent fair value measurement				
(I) Financial assets held for trading	24,886,182.75		688,904,293.68	713,790,476.43
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investments			688,904,293.68	688,904,293.68
(2) Equity instrument investments	24,886,182.75			24,886,182.75
(II) Investment in other equity instruments	3,754,677,033.33	4,039,453.00	1,761,504,498.42	5,520,220,984.75
(III) Investment properties			93,539,000,000.00	93,539,000,000.00
1. Leased buildings			93,539,000,000.00	93,539,000,000.00
(IV) Derivative financial assets		398,953.74		398,953.74
(V) Receivables financing		63,644,128.05		63,644,128.05
(VI) Other non-current financial assets			389,174,540.60	389,174,540.60
Total assets measured continuously at fair value	3,779,563,216.08	68,082,534.79	96,378,583,332.70	100,226,229,083.57

2. Basis for Determining Market Price of Continuous and Non-continuous Level-1 Fair Value Measurement Items

The trading financial assets and some other equity instrument investments held by the Group are listed company stocks, and their market prices are based on the closing prices of the stocks on the day.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

IX. DISCLOSURE OF FAIR VALUE (continued)

3. Valuation Techniques Used and the Qualitative and Quantitative Information of Key Parameters for Recurring and Non-Recurring Fair Value Measurements Categorised within Level 2

Some other equity instrument investments held by the Group are NEEQ stocks. For orderly traders, the fair value is based on the closing price of the period; for non-ordered traders, the fair value is adjusted based on the closing price of the period.

4. Valuation Techniques Used and the Qualitative and Quantitative Information of Key Parameters for Recurring and Non-Recurring Fair Value Measurements Categorised within Level 3

The fair values of non-listed equity instrument investments are estimated using discounted valuation model, and the assumptions adopted are not supported by observable market prices or interest rates. The Group needs to make estimation for the expected future cash flows (including expected future dividend and disposal income). The Group believes that the fair values and changes thereof estimated by valuation technique are reasonable and also the most appropriate values at the balance sheet date.

For the fair values of non-listed equity instrument investments to which discounted valuation model is inapplicable, the Group estimates and quantifies potential impacts of using other reasonable and possible assumptions as inputs for valuation model: under quite unfavourable assumption, the fair values decrease approximately RMB120,205,000.00; under quite favorable assumption, the fair values increase approximately RMB156,568,000.00.

The Group has entered into derivative financial instrument contracts with multiple counterparties (mainly financial institutions with higher credit rating).

IX. DISCLOSURE OF FAIR VALUE (continued)

4. Valuation Techniques Used and the Qualitative and Quantitative Information of Key Parameters for Recurring and Non-Recurring Fair Value Measurements Categorised within Level 3 (continued)

Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models and present value methods. The model covers multiple inputs observable in markets, including counterparty credit quality, spot and forward rates and interest rate curves. The carrying value of foreign exchange forward contracts and interest rate swaps is the same as the fair value. As at 30 June 2021, the mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. The change of counterparty credit risk has no significant impact on the evaluation of hedging effectiveness of designated derivatives in hedging relationship and other financial instruments measured at fair value.

Fair value of investment properties using fair value model

We use the income approach for the valuation of the completed properties put into use: With reference to the market monthly rent of leasable area per unit (per square meter) of the completed properties or the expected rental income based on market condition, we adopt an appropriate capitalization rate to discount to determine the valuation value of investment properties.

We use direct comparison approach for the valuation of the properties under construction at an early development stage: Based on the income that can be received immediately on disposal of investment properties in its current state, with reference to the relevant information on the comparable transactions in the market where the investment properties are located, and depending on the specific condition of the properties under construction, we make adjustments.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

IX. DISCLOSURE OF FAIR VALUE (continued)

4. Valuation Techniques Used and the Qualitative and Quantitative Information of Key Parameters for Recurring and Non-Recurring Fair Value Measurements Categorised within Level 3 (continued)

Fair value of investment properties using fair value model (continued)

We use hypothetical development method for the valuation of investment properties at other stages of development: Assuming that such investment properties will be developed to the condition for use according to the established development plan. In order to obtain their fair value, a direct comparison is made by taking into account the available and comparable sales data in the relevant markets and deducting the construction costs and professional costs incurred by the valuer from the valuation date to the date of completion of development.

The fair value of the Group's investment properties as at 30 June 2021 were assessed by Beijing Huaya Zhengxin Assets Appraisal Co., Ltd, an independent valuer from the Group.

In estimating the fair value of the properties, the best use purpose of investment properties is its current use. There is no change in the valuation methods used.

IX. DISCLOSURE OF FAIR VALUE (continued)

4. Valuation Techniques Used and the Qualitative and Quantitative Information of Key Parameters for Recurring and Non-Recurring Fair Value Measurements Categorised within Level 3 (continued)

Fair value of investment properties using fair value model (continued)

Following is an overview of significant unobservable inputs for the measurement of level-3 fair value:

30 June 2021		Fair value	Valuation technique(s)	Unobservable inputs	Range (Weighted average)
Investment properties – completed properties	2021	82,427,000,000.00	Income approach/Direct comparison approach/ Hypothetical development approach	Price of unit area leasable (per square meter per month)	2021: RMB16 – 241
	2020	81,482,000,000.00			Capitalization rate
Investment properties – properties under construction at an early development stage	2021	5,981,000,000.00	Direct comparison approach	Unit area price of investment properties (per square meter)	2021: 5.5% - 7.5%
	2020	8,510,000,000.00			2020: 5.5% – 8.0%
Investment properties – other properties under construction	2021	5,131,000,000.00	Hypothetical development approach	Price of unit area leasable (per square meter per month)	2021: RMB354 – 21,355
	2020	3,158,000,000.00			Capitalization rate
Other equity instrument investments	2021	1,761,504,498.42	Comparable company approach	Liquidity discount rate	2020: RMB28 – 85
	2020	2,294,884,243.09			2021: RMB25 – 70
Other non-current financial assets	2021	389,174,540.60	Discounted cash flow approach	Risk-adjusted discount rate	2021: 6.5% – 7.5%
	2020	396,924,540.60			2020: 6.5% – 7.5%
Financial assets held for trading – debt instrument investments	2021	688,904,293.68	Discounted cash flow approach	Risk-adjusted discount rate	2021: 80% – 90%
	2020	72,035,807.75			2020: 80% – 90%
	2021				2021: 11.3% – 17.9%
	2020				2020: 11.3% – 17.9%
	2021				2021: 2.1%
	2020				2020: 2.1%

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

IX. DISCLOSURE OF FAIR VALUE (continued)

5. Adjustment Information of Carrying Amounts between the Beginning of Period and the End of Period for Recurring Fair Value Measurements Categorised within Level 3

	Opening balance	Transferred into level 3	Transferred out of level 3	Included in profit or loss	Total gain or loss for the current period Included in other comprehensive income	Purchase	Sell	Balance	Changes in the unrealized gain or loss for the current period from assets held at the end of the year included in the profit or loss
Financial assets held for trading	72,035,807.75					688,904,293.68	(72,035,807.75)		688,904,293.68
Other equity instrument investments	2,294,884,243.09		(619,983,773.00)		150,883,777.02	121,948,568.95	(186,228,317.64)		1,761,504,498.42
Other non-current financial assets	396,924,540.60			(7,750,000.00)					389,174,540.60
Investment properties	93,150,000,000.00			212,750,860.35	4,979,767.07	2,111,269,372.58	(1,940,000,000.00)		93,539,000,000.00
	95,913,844,591.44		(619,983,773.00)	205,000,860.35	155,863,544.09	2,922,122,235.21	(2,198,264,125.39)		96,378,583,332.70

6. Reason for Conversion for Transfer between Levels during the Current Period for Continuous Fair Value Measurement Items, and Policies for Determination of Time Point of the Conversion

2021

	Transfer into	Transfer out of	Reason
Level 1	1,460,753,742.14		note 1
Level 2			
Level 3		1,460,753,742.14	note 1
	1,460,753,742.14	1,460,753,742.14	

Note 1: Compared with 2020, in 2021, other equity instrument investment of RMB1,460,753,742.14 was listed, and the fair value measurement level was transferred from the level 3 to the level 1.

IX. DISCLOSURE OF FAIR VALUE (continued)

6. Reason for Conversion for Transfer between Levels during the Current Period for Continuous Fair Value Measurement Items, and Policies for Determination of Time Point of the Conversion (continued)

2020

	Transfer into	Transfer out of	Reason
Level 1	68,826,085.92		note 1
Level 2		37,250,000.00	note 2
Level 3	37,250,000.00	94,616,085.92	note 1/note 3
	106,076,085.92	131,866,085.92	

Note 1: Compared with 2019, in 2020, other equity instrument investment of RMB68,826,085.92 was listed, and the fair value measurement level was transferred from the level 3 to the level 1.

Note 2: Compared with 2019, in 2020, other equity instrument investment of RMB37,250,000.00 was delisted from the NEEQ, and the fair value measurement level was changed from the level 2 to the level 3.

Note 3: Compared with 2019, in 2020, other equity instrument investment of RMB4,990,000.00 was acquired as joint ventures, and other non-current financial assets of RMB20,800,000.00 were transferred out from the level 3 to other receivables, no longer measured at fair value.

7. Financial Assets and Financial Liabilities not Measured at Fair Value but Disclosed at Fair Value

The Group's financial assets and financial liabilities measured at amortized cost mainly include: accounts receivable, other receivables, non-current assets due within one year, other current assets, long-term receivables, other non-current assets, short-term loans, accounts payable, other payables, non-current liabilities due within one year, bonds payable, long-term loans, long-term payables and other non-current liabilities, etc.

The Group's management believes that the carrying amounts of other financial assets and financial liabilities in the financial statements are close to the fair value of such assets and liabilities.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Parent of the Company

Unit: RMB'0,000 Currency: RMB

Parent company name	Place of incorporation	Nature of business	Registered capital	Equity proportion of the parent in the Company (%)	Voting rights proportion of the parent in the Company (%)
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Shanghai, China	Investment management	RMB200 million	69.87	69.87

Ultimate controlling party of the Company is CHE Jianxing

2. Information on the Subsidiaries of the Company

The subsidiaries of the Company are detailed in the notes

For details of the subsidiaries of the Company, please refer to the “Financial Reports VII.1. Interests in Subsidiaries”.

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Information on the Joint Ventures and Associates of the Company

The Company's major joint ventures or associated enterprises are detailed in the notes

For the details of joint ventures and associates, please refer to "Financial Reports VII.2. Interests in Joint Ventures or Associates".

4. Information on Other Related Parties

Name of other related parties	Relationship between other related parties and the Company
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Xuzhou Red Star Macalline International Home Furnishings City Co., Ltd. (徐州紅星美凱龍國際傢俱裝飾城有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Hangzhou Feishi Bath & Kitchen Products Co., Ltd. (杭州菲氏浴廚用品有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Yangzhou Kailong Consulting Co., Ltd. (揚州凱龍管理諮詢有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Hangzhou Nabel Group Co., Ltd. (杭州諾貝爾集團有限公司) and its branches	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Changzhou Yizhi International Trade Co., Ltd. (常州市藝致國際貿易有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Shanghai Dijing Catering Management Co., Ltd. (上海帝景餐飲管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Xuzhou Red Star Macalline Global Home Life Plaza Property Management Co., Ltd. (徐州紅星美凱龍全球家居生活廣場物業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Shanghai Aegean Business Management Co., Ltd. (上海愛琴海商務管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Zigong Aegean Business Management Co., Ltd. (自貢愛琴海商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Chongqing Xingmei Business Management Co., Ltd. (重慶星美商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Shanghai Aegean Commercial Group Co., Ltd. (上海愛琴海商業集團股份有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Kunming Xingqin Business Management Co., Ltd. (昆明星琴商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Changzhou Aegean Ole Business Management Co., Ltd. (常州愛琴海奧萊商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Chengdu Wanfu Xingkai Business Management Co., Ltd. (成都萬福星凱商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Shanghai Xingyin Hai Industrial Co., Ltd. (上海星銀海實業有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
Shanghai Red Star Jinghai Commercial Management Co., Ltd. (上海紅星晶海商業管理有限公司)	Corporate controlled or invested by the family member who has a close relationship with the ultimate actual controller
CHE Guoxing (車國興)	Family member who has a close relationship with the ultimate actual controller
QIAN Yumei (錢玉梅)	Family member who has a close relationship with the ultimate actual controller
CHE Yuqin (車玉琴)	Family member who has a close relationship with the ultimate actual controller
CHE Jianguo (車建國)	Family member who has a close relationship with the ultimate actual controller
ZHANG Jianfang (張建芳)	Family member who has a close relationship with the ultimate actual controller
CHEN Shuhong (陳淑紅)	Family member who has a close relationship with the ultimate actual controller

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CAO Zhongmin (曹仲民)	Family member who has a close relationship with director, supervisor, or senior management
QIAN Zhongxiang (錢忠祥)	Family member who has a close relationship with director, supervisor, or senior management
Ningbo Qiangshang Home Living Company Limited (寧波牆尚家居有限公司)	Subsidiary of an associate
Beijing Sunsea Parking Management Co., Ltd. (北京陽光海天停車管理有限公司)	Subsidiary of an associate
Jiangyin Tishang Home Furnishing Co., Ltd. (江陰提尚家居有限公司)	Subsidiary of an associate
Brewster Wallpaper International Trading (Shanghai) Co., Ltd. (布魯斯特牆紙國際貿易(上海)有限公司)	Subsidiary of an associate
Beijing Smart Parking Service Co., Ltd. (北京智泊停車服務有限公司)	Subsidiary of an associate
Shanghai Yunshan Electric Power Installation Engineering Co., Ltd. (上海雲山電力安裝工程有限公司)	Subsidiary of an associate
Shanghai Lv Kang Construction Engineering Co., Ltd. (上海律康建築工程有限公司)	Subsidiary of an associate
Heze Inzone Green Home Co., Ltd. (荷澤銀座家居有限公司)	Subsidiary of an associate
Dongying Chuangzhan Real Estate Co., Ltd. (東營創展置業有限公司)	Subsidiary of an associate
Binzhou Inzone Green Home Co., Ltd. (濱州銀座家居有限公司)	Subsidiary of an associate
Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京)建築材料有限公司)	Subsidiary of an associate
Mex Smart Home (Shen Zhen) Co., Ltd. (美時智能家居(深圳)有限公司)	Subsidiary of an associate
Century Meishang (Guangzhou) Cosmetics Co., Ltd. (世紀美尚(廣州)化妝品有限公司)	Subsidiary of an associate
Meishang Scientific Research (Guangdong) International Biotechnology Co., Ltd. (美尚科研(廣東)國際生物科技有限公司)	Subsidiary of an associate

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Shanghai Xingzhiyun Business Information Consulting Co., Ltd. (上海星之韻商務信息諮詢有限公司)	RSM Holding and other corporates under its control
Taiyuan Red Star Weiye Property Development and Management Co., Ltd. (太原紅星偉業房地產開發經營有限公司)	RSM Holding and other corporates under its control
Shanghai Zhongyide Trading Company Limited (上海眾意得商貿有限公司)	RSM Holding and other corporates under its control
Shanghai Lingyi Beauty Body Co., Ltd. (上海玲逸美容美體有限公司)	RSM Holding and other corporates under its control
Shanghai Linglong Fitness Club Co., Ltd. (上海玲瀧健身俱樂部有限公司)	RSM Holding and other corporates under its control
Shaoxing Xingkai Real Estate Co., Ltd. (紹興星凱置業有限公司)	RSM Holding and other corporates under its control
Suqian Xingkai Real Estate Development Co., Ltd. (宿遷星凱房地產開發有限公司)	RSM Holding and other corporates under its control
Changzhou Jintan Kaihui Real Estate Development Co., Ltd. (常州金壇凱匯房地產開發有限公司)	RSM Holding and other corporates under its control
Zhejiang Tonight Films Co., Ltd. (浙江龍凱影業有限公司)	RSM Holding and other corporates under its control
Suzhou Red Star Pinwei Property Management Co., Ltd. (蘇州紅星品唯物業管理有限公司)	RSM Holding and other corporates under its control
Shanghai Red Star Parking Management Co., Ltd. (上海紅星停車管理有限公司)	RSM Holding and other corporates under its control
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Yiwu Meilong Real Estate Co., Ltd. (義烏美龍置業有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Henan Chenbo Real Estate Co., Ltd. (河南宸博置業有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Greenland Group Chengdu Jinniu Real Estate Development Co., Ltd. (綠地集團成都金牛房地產開發有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Chongqing Jinke Real Estate Development Co., Ltd. (重慶金科房地產開發有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Nantong Xinglong Real Estate Development Co., Ltd. (南通星龍房地產開發有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Xuzhou Maoxing Real Estate Co., Ltd. (徐州茂星置業有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Shanghai Qingcong Beauty Technology Co., Ltd. (上海青葱美容科技有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	Corporate significantly influenced by RSM Holding or the ultimate actual controller
Shanghai Xinhua Chengcheng Asset Management Co., Ltd. (上海新華成城資產管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yangzhou Xinglong Real Estate Development Co., Ltd. (揚州星龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Liuzhou Red Star Macalline Real Estate Co., Ltd. (柳州紅星美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Tianjin Xingkai Real Estate Development Co., Ltd. (天津星凱房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Tianjin Meilong Real Estate Development Co., Ltd. (天津美龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Ningbo Kailong Property Company Limited (寧波凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yunnan Red Star Macalline Real Estate Co., Ltd. (雲南紅星美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Jinan Xinglong Real Estate Development Co., Ltd. (濟南星龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xiangshan Meilong Real Estate Co., Ltd. (象山美龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Qiaotong Enterprise Management Co., Ltd. (上海喬彤企業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Tianjin Hongxing Pacific Cinema Management Co., Ltd. (天津紅星太平洋影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Tianjin Laina Huakai Film Co., Ltd. (天津萊納華開影業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Hongmei Cinema Management Co., Ltd. (常州紅美影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Suzhou Hongmei Cinema Management Co., Ltd. (蘇州紅美影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Ningbo Kaixing Cinema Management Co., Ltd. (寧波凱星影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yixing Yimei Studios Co., Ltd. (宜興逸美影城有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Xingchen Interactive Entertainment Co., Ltd. (常州星琛娛樂科技有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xingchen Interactive Entertainment Technology Co., Ltd. (上海星琛互動娛樂科技有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Suzhou Red Star Macalline Real Estate Development Co., Ltd. (蘇州紅星美凱龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Tianjin Cameo Film Co., Ltd. (天津卡美奧影業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Jinhua Jiayi Film Co., Ltd. (金華市佳藝影業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Yunshen Intelligent Technology Co., Ltd. (上海雲紳智能科技有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Kunming Hongxing Haihui Real Estate Co., Ltd. (昆明紅星海匯房地產有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Jintan Weiyi Construction Engineering Co., Ltd. (常州市金壇維德建設工程有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Nanchang Haoran Real Estate Co., Ltd. (南昌浩然置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shuyang Xinglong Real Estate Development Co., Ltd. (瀘陽星龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Red Star Macalline Real Estate Co., Ltd. (常州紅星美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xining Aegean Real Estate Development Co., Ltd. (西寧愛琴海房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Qingdao Hongying Cinema Management Co., Ltd. (青島紅影影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Aegean Ole Business Management Co., Ltd. (上海愛琴海奧萊商業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Hongxin Cinema Management Co., Ltd. (上海紅昕影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Kaihong Cinema Management Co., Ltd. (上海凱紅影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Kaixin Cinema Management Co., Ltd. (上海凱昕影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Linsai Fitness Club Co., Ltd. (上海林賽健身俱樂部有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Linwu Fitness Club Co., Ltd. (上海林戊健身俱樂部有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Lingsi Fitness Club Co., Ltd. (上海玲思健身俱樂部有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Longhong Cinema Management Co., Ltd. (上海龍紅影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Meiying Enterprise Management Co., Ltd. (上海美影企業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xinhong Cinema Management Co., Ltd. (上海昕紅影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Shanghai Xinglong Cinema Management Co., Ltd. (上海星龍影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Suzhou Kaimei Cinema Management Co., Ltd. (蘇州凱美影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xiaogan Honghe Studios Management Co., Ltd. (孝感泓河影城管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yixing Chenxing Digital Cinema Co., Ltd. (宜興市晨興數字影院有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xiangshan Kaisheng Real Estate Co., Ltd. (象山凱勝置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Danyang Rongjin Hongxing Real Estate Development Co., Ltd. (丹陽市融錦宏星置業發展有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Tianjin Macalline Real Estate Co., Ltd. (天津美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xiangshan Xinglong Real Estate Co., Ltd. (象山星龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yuyao Xingkai Real Estate Co., Ltd. (余姚星凱置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changxing Ronghao Trading Co., Ltd. (長興榮皓貿易有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Zhanjiang Haixin Meikai Investment Co., Ltd. (湛江市海新美凱投資有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Xining Red Star Macalline Real Estate Development Co., Ltd. (西寧紅星美凱龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Hengshui Xinglong Real Estate Development Co., Ltd. (衡水星龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Taiyuan Shuangmingzhikun Real Estate Development Co., Ltd. (太原雙明智坤房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changchun Red Star Macalline Real Estate Development Co., Ltd. (長春紅星美凱龍房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Ningbo Huixin Real Estate Co., Ltd. (寧波匯鑫置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產管理諮詢有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Hongmei Real Estate Co., Ltd. (上海洪美置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Anhui Tenghui Investment Group Hefei Company Limited (安徽騰輝投資集團合肥有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Luochang Enterprise Management Co., Ltd. (上海洛昶企業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Chengdu Red Star Macalline Real Estate Co., Ltd. (成都紅星美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Chongqing Red Star Macalline Enterprise Development Co., Ltd. (重慶紅星美凱龍企業發展有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Macalline Seven Star Hotel Management Co., Ltd. (上海美凱龍七星酒店管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Zhengzhou Xingbo Real Estate Development Co., Ltd. (鄭州星鉞房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Longyao Equity Investment Management Co., Ltd. (常州龍耀股權投資管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Changzhou Red Star Home Furnishing City (常州市紅星裝飾城)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xuanyan Enterprise Management Company Limited (上海暄妍企業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Kunming Guangyuan Real Estate Development Co., Ltd. (昆明廣遠房地產開發有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xinxing Catering Management Co., Ltd. (上海忞星餐飲管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Yunnan Red Star Macalline Property Management Co., Ltd. (雲南紅星美凱龍物業管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Shanghai Yueying Technology Co., Ltd. (上海躍影科技有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Cixi Haorui Real Estate Co., Ltd. (慈溪皓瑞置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Cixi Xingkai Real Estate Co., Ltd. (慈溪星凱置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Ganzhou Kaiyue Real Estate Co., Ltd. (贛州凱越置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Red Star Macalline Real Estate Co. Ltd. (上海紅星美凱龍置業有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Huangpu Red Star Microfinance Co., Ltd. (上海黃浦紅星小額貸款有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Mixing Catering Management Co., Ltd. (上海覓星餐飲管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Qianzhi (Beijing) Cultural Development Co., Ltd. (乾智(北京)文化發展有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算科技有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Qingdao Dana International Studios Co., Ltd. (青島德納國際影城有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Shanghai Xingkai Cinema Management Co., Ltd. (上海星凱影院管理有限公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Wenzhou Xinglong Real Estate Development Co., Ltd. (溫州星龍房地產開發有限責任公司)	Corporate controlled by RSM Holding or the ultimate actual controller
Hangzhou Alimama Software Services Co., Ltd. (杭州阿里媽媽軟件服務有限公司)	Subsidiary of corporate that has a significant impact on the Group
Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司)	Subsidiary of corporate that has a significant impact on the Group
Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司)	Subsidiary of corporate that has a significant impact on the Group

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information on Other Related Parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Alibaba Cloud Computing Co., Ltd. (阿里雲計算有限公司)	Subsidiary of corporate that has a significant impact on the Group
Zhejiang Alibaba Communication Technology Co., Ltd. (浙江阿里巴巴通信技術有限公司)	Subsidiary of corporate that has a significant impact on the Group
Henan Many Craftsmen Information Technology Co., Ltd. (河南匠多多信息科技有限公司)	Subsidiary of corporate that has a significant impact on the Group
Alibaba (Sichuan) Network Technology Co., Ltd. (阿里(四川)網絡技術有限公司)	Subsidiary of corporate that has a significant impact on the Group
Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司)	Subsidiary of corporate that has a significant impact on the Group
Taiyuan Shuangming Kailong Real Estate Development Co., Ltd. (太原雙明凱龍房地產開發有限公司)	Corporate which the director, supervisor or senior management has a position
Suning.Com Co., Ltd. (蘇寧易購集團股份有限公司) and its subsidiaries	Corporate which the director, supervisor or senior management has a position
Jining Kaixing Shopping Plaza Co., Ltd. (濟寧凱星購物廣場有限公司)	Corporate which the director, supervisor or senior management has a position
Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	Corporate which the director, supervisor or senior management has a position
Yangzhou Century Lianhua Commercial Co., Ltd. (揚州世紀聯華商業有限公司)	Corporate which the director, supervisor or senior management has a position

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services

Table on purchase of goods/receipt of services

Unit: Yuan Currency: RMB

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算科技有限公司)	Purchase of goods	6,405,660.20	1,308,018.86
Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	Purchase of goods	1,176,922.66	1,430,478.10
Shanghai AI.Pure Intelligent Technology Co., Ltd. (上海智諦智能科技有限公司)	Purchase of goods	510,931.11	1,817,613.54
Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	Purchase of goods	436,635.32	
Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	Purchase of goods	201,072.00	
Kunming Hongxing Haihui Real Estate Co., Ltd. (昆明紅星海匯房地產有限公司)	Purchase of goods	143,505.67	
Qianzhi (Beijing) Cultural Development Co., Ltd. (乾智(北京)文化發展有限公司)	Purchase of goods	51,317.00	
Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	Purchase of goods	36,055.40	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司)	Purchase of goods	35,867.89	
Suning.Com Co., Ltd. (蘇寧易購集團股份有限公司) and its subsidiaries	Purchase of goods	35,732.00	
Shanghai Yueying Technology Co., Ltd. (上海躍影科技有限公司)	Purchase of goods	27,000.00	
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Purchase of goods	18,266.97	
Yangzhou Century Lianhua Commercial Co., Ltd. (揚州世紀聯華商業有限公司)	Purchase of goods	12,670.00	
Kunming Guangyuan Real Estate Development Co., Ltd. (昆明廣遠房地產開發有限公司)	Purchase of goods	10,830.19	
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	Purchase of goods	8,356.35	
Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)	Purchase of goods	2,596.00	21,000.00
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Purchase of goods	1,116.98	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Purchase of goods	824.53	
Shanghai Yunshen Intelligent Technology Co., Ltd. (上海雲紳智能科技有限公司)	Purchase of goods		1,395,000.00
Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	Purchase of goods		375,424.74

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	Purchase of goods		60,053.07
Yixing Suning Tesco Sales Co., Ltd. (宜興市蘇寧易購銷售有限公司)	Purchase of goods		26,495.00
Dream Maker Home (Shenzhen) Co., Ltd. (造夢者家居(深圳)有限公司)	Purchase of goods	N/A	14,232.77
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	Joint marketing	714,150.92	18,490.57
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Joint marketing	484,056.60	77,264.15
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Joint marketing	327,496.22	16,320.75
Shanghai CTME Economy & Trade Development Co., Ltd. (上海中貿美凱龍經貿發展有限公司)	Joint marketing	232,339.62	
Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	Joint marketing	231,981.14	
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Joint marketing	206,432.07	
Binzhou Inzone Green Home Co., Ltd. (濱州銀座家居有限公司)	Joint marketing	85,377.35	
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	Joint marketing	76,646.88	
Dongying Chuangzhan Real Estate Co., Ltd. (東營創展置業有限公司)	Joint marketing	70,000.00	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Joint marketing	30,377.36	14,101.88
Heze Inzone Green Home Co., Ltd. (菏澤銀座家居有限公司)	Joint marketing	25,188.68	
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Joint marketing	12,169.81	15,000.00
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Revenue from advertising space lease/ Administrative expenses	198,849.29	344,065.52
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Revenue from advertising space lease/ Administrative expenses	71,428.55	158,730.10
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	Revenue from advertising space lease/ Administrative expenses	35,079.40	134,285.79
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	Revenue from advertising space lease/ Administrative expenses	25,396.80	119,047.58

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	Revenue from advertising space lease/ Administrative expenses	17,966.36	
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Revenue from advertising space lease/ Administrative expenses	9,650.90	
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Revenue from advertising space lease/ Administrative expenses		12,232.37
Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算科技有限公司)	Receipt of services	15,807,520.00	14,045,570.76
Shanghai Xingyue Property Service Co., Ltd. (上海星悅物業服務有限公司) and its branches	Receipt of services	11,951,367.61	
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Receipt of services	6,323,995.47	5,478,696.45
Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司)	Receipt of services	4,658,703.09	
Changyuanxin Supply Chain Management (Dongguan) Co., Ltd. (昌源鑫供應鏈管理(東莞)有限公司)	Receipt of services	4,620,454.58	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	Receipt of services	3,354,582.89	174,054.65
Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	Receipt of services	2,628,603.77	3,571,536.17
Hangzhou Alimama Software Services Co., Ltd. (杭州阿里媽媽軟件服務有限公司)	Receipt of services	1,499,132.20	
Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)	Receipt of services	1,369,239.85	291,509.13
Shanghai Xincheng'an Construction Co., Ltd. (上海鑫誠安建設有限公司)	Receipt of services	1,156,334.01	3,696,161.40
Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產管理諮詢有限公司)	Receipt of services	517,161.34	
Zhejiang Alibaba Communication Technology Co., Ltd. (浙江阿里巴巴通信技術有限公司)	Receipt of services	486,956.43	
Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	Receipt of services	162,000.00	340,380.00
Suzhou Red Star Pinwei Property Management Co., Ltd. (蘇州紅星品唯物業管理有限公司)	Receipt of services	149,964.00	
Chongqing Xingmei Business Management Co., Ltd. (重慶星美商業管理有限公司)	Receipt of services	76,883.92	
Chengdu Wanfu Xingkai Business Management Co., Ltd. (成都萬福星凱商業管理有限公司)	Receipt of services	26,198.09	
Zigong Aegean Business Management Co., Ltd. (自貢愛琴海商業管理有限公司)	Receipt of services	17,396.72	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Receipt of services	9,537.62	33,342.90
Alibaba (Sichuan) Network Technology Co., Ltd. (阿里(四川)網絡技術有限公司)	Receipt of services	593.29	
Zhejiang Tonight Films Co., Ltd. (浙江龍凱影業有限公司)	Receipt of services		168,141.60
Kunming Xingqin Business Management Co., Ltd. (昆明星琴商業管理有限公司)	Receipt of services		64,020.00
Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	Receipt of services		32,994.19
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Receipt of services		29,600.00
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Receipt of services		13,950.40
Beijing Sunsea Parking Management Co., Ltd. (北京陽光海天停車管理有限公司)	Receipt of services		28,000.00
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Settlement of interest income from deposit	21,689.39	7,590.92

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Settlement of interest income from deposit	6,312.20	5,566.55
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Settlement of interest income from deposit	2,654.86	846.87
Handan Fengfengkuang District Royal Property Development Company Limited (邯鄲市峰峰礦區皇室房地產開發有限公司)	Settlement of interest income from deposit	N/A	3,824.09
Anhui Tenghui Investment Group Hefei Company Limited (安徽騰輝投資集團合肥有限公司)	Settlement of interest income from deposit		92.86
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Settlement of interest income from deposit		61.13

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Sales of goods and rendering of services

Unit: Yuan Currency: RMB

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Danyang Rongjin Hongxing Real Estate Development Co., Ltd. (丹陽市融錦宏星置業發展有限公司)	Sales of goods	18,353,735.54	
Changxing Ronghao Trading Co., Ltd. (長興榮皓貿易有限公司)	Sales of goods	5,604,144.57	
Henan Chenbo Real Estate Co., Ltd. (河南宸博置業有限公司)	Sales of goods	5,269,226.61	
Hengshui Xinglong Real Estate Development Co., Ltd. (衡水星龍房地產開發有限公司)	Sales of goods	1,996,910.44	
Anka Household Products (Shanghai) Co., Ltd. (安咖家居用品(上海)有限公司)	Sales of goods	1,935,897.79	5,550,739.86
Zhanjiang Haixin Meikai Investment Co., Ltd. (湛江市海新美凱投資有限公司)	Sales of goods	1,831,486.05	
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Sales of goods	918,582.88	
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	Sales of goods	908,562.65	
Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	Sales of goods	522,123.89	
Cixi Haorui Real Estate Co., Ltd. (慈溪皓瑞置業有限公司)	Sales of goods	453,716.85	
Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍家居科技有限公司)	Sales of goods	282,996.16	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shanghai Xuanyan Enterprise Management Company Limited (上海暄妍企業管理有限公司)	Sales of goods	168,566.37	
Yunnan Red Star Macalline Property Management Co., Ltd. (雲南紅星美凱龍物業管理有限公司)	Sales of goods	149,581.19	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Sales of goods	130,567.25	52,535.41
Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	Sales of goods	95,918.60	
Suning.com Group Co., Ltd. (蘇寧易購集團股份有限公司) and its subsidiaries	Sales of goods	94,673.91	
Dongying Chuangzhan Real Estate Co., Ltd. (東營創展置業有限公司)	Sales of goods	89,653.99	
Qianzhi (Beijing) Cultural Development Co., Ltd. (乾智(北京)文化發展有限公司)	Sales of goods	45,413.27	
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Sales of goods	33,006.52	
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	Sales of goods	24,734.51	97,123.89
Wuhu Minghui Commercial Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Sales of goods	19,398.23	26,460.20
Beijing Smart Parking Service Co., Ltd. (北京智泊停車服務有限公司)	Sales of goods	9,645.40	
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	Sales of goods	8,672.57	10,796.46

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Sales of goods	7,805.31	40,707.97
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Sales of goods	6,872.30	
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	Sales of goods	4,668.58	
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	Sales of goods	4,646.01	
Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京)建築材料有限公司)	Sales of goods	2,122.12	
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Sales of goods		7,008.85
Jinan Xinglong Real Estate Development Co., Ltd. (濟南星龍房地產開發有限公司)	Sales of goods		2,759,571.11
Shanghai Qiaotong Enterprise Management Co., Ltd. (上海喬彤企業管理有限公司)	Sales of goods		198,000.00
Suzhou Supin Home Culture Co., Ltd. (蘇州市蘇品宅配文化有限公司)	Sales of goods		89,622.64
Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	Sales of goods		114,336.28
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Sales of goods		97,345.13

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	Service income	51,179,427.06	12,076,224.48
Xining Aegean Real Estate Development Co., Ltd. (西寧愛琴海房地產開發有限公司)	Service income	25,008,565.64	
Zhanjiang Haixin Meikai Investment Co., Ltd. (湛江市海新美凱投資有限公司)	Service income	21,891,455.37	
Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	Service income	18,077,939.83	21,060,274.21
Shanghai Luochang Enterprise Management Co., Ltd. (上海洛昶企業管理有限公司)	Service income	7,859,947.07	
Shanghai CTME Economy & Trade Development Co., Ltd. (上海中質美凱龍經濟發展有限公司)	Service income	3,216,791.43	10,080,188.40
Anhui Tenghui Investment Group Hefei Co., Ltd. (安徽騰輝投資集團合肥有限公司)	Service income	2,869,354.18	9,130.89
Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	Service income	2,331,695.79	131,944.21
Wuhu Meihe Asset Management Company Limited (蕪湖美和資產管理有限公司)	Service income	1,650,943.41	1,886,792.46
Changzhou Aegean Ole Business Management Co., Ltd. (常州愛琴海奧萊商業管理有限公司)	Service income	1,097,443.36	
Shanghai Aegean Business Management Co., Ltd. (上海愛琴海商務管理有限公司)	Service income	670,283.02	
Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)	Service income	360,566.03	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	Service income	306,371.99	372,344.71
Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算科技有限公司)	Service income	185,849.06	377,358.49
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Service income	139,996.19	130,766.66
Shanghai Zhongyide Trading Company Limited (上海眾意得商貿有限公司)	Service income	91,981.13	
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	Service income	84,905.67	
Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	Service income	76,457.27	81,497.84
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Service income	61,320.75	115.10
Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	Service income	56,603.77	
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	Service income	41,585.24	4,603.85
Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	Service income	30,600.00	
Ningbo Qiangshang Home Living Company Limited (寧波牆尚家居有限公司)	Service income	28,971.72	16,481.53

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	Service income	28,633.48	75,084.61
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	Service income	28,301.89	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Service income	27,113.21	54,027.00
Changzhou Red Star Furniture Plant Co., Ltd. (常州市紅星傢俱總廠有限公司)	Service income	21,114.90	22,976.28
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Service income	13,800.48	28,509.68
Klas International Home Living Company Limited (克拉斯國際家居有限公司)	Service income	13,616.08	
Shanghai Xingzhiyun Business Information Consulting Co., Ltd. (上海星之韻商務信息諮詢有限公司)	Service income	11,881.19	
Shanghai Xingyin Hai Industrial Co., Ltd. (上海星銀海實業有限公司)	Service income	10,693.07	
Shanghai AEGEAN Commercial Group Co., Ltd. (上海愛琴海商業集團股份有限公司)	Service income	3,564.36	
Shanghai Red Star Jinghai Commercial Management Co., Ltd. (上海紅星晶海商業管理有限公司)	Service income	1,782.18	
Chongqing Red Star Macalline Enterprise Development Co., Ltd. (重慶紅星美凱龍企業發展有限公司)	Service income	1,782.18	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京)建築材料有限公司)	Service income	1,447.54	
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd. (廣州紅星美凱龍世博家居廣場有限公司)	Service income		790,786.66
Kunming Hongxing Haihui Real Estate Co., Ltd. (昆明紅星海匯房地產有限公司)	Service income		337,174.61
Kunming Guangyuan Real Estate Development Co., Ltd. (昆明廣遠房地產開發有限公司)	Service income		328,348.15
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	Service income		302,833.97
Xiangshan Meilong Real Estate Co., Ltd. (象山美龍置業有限公司)	Service income		179,179.43
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家家居科技有限公司)	Service income		20,243.51
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Service income		5,500.00
Greenland Group Chengdu Jinniu Real Estate Development Co., Ltd. (綠地集團成都金牛房地產開發有限公司)	Brand management service	1,886,792.43	1,886,792.45
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Brand management service	1,493,679.25	1,415,094.34
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	Brand management service	1,462,264.14	1,218,553.45

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Brand management service	1,415,094.34	2,028,301.89
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	Brand management service	1,415,094.34	1,415,094.34
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	Brand management service	1,415,094.34	1,415,094.34
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Brand management service	1,415,094.34	1,179,245.28
Xuzhou Red Star Macalline International Furniture Decoration City Co., Ltd. (徐州紅星美凱龍國際傢俱裝飾城有限公司)	Brand management service	896,226.40	746,855.34
Yunnan Red Star Macalline Property Co., Ltd. (雲南紅星美凱龍置業有限公司)	Brand management service		283,018.87
Handan Fengfengkuang District Royal Property Development Company Limited (邯鄲市峰峰礦區皇室房地產開發有限公司)	Consultation fees for previous period	N/A	14,721,978.12
Zhanjiang Haixin Meikai Investment Co., Ltd. (湛江市海新美凱投資有限公司)	Design consultation income	11,922,302.70	
Changchun Red Star Macalline Real Estate Development Co., Ltd. (長春紅星美凱龍房地產開發有限公司)	Design consultation income	8,743,235.81	
Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	Design consultation income	7,360,098.11	
Hengshui Xinglong Real Estate Development Co., Ltd. (衡水星龍房地產開發有限公司)	Design consultation income	6,686,579.76	
Ganzhou Kaiyue Real Estate Co., Ltd. (贛州凱越置業有限公司)	Design consultation income	4,192,395.87	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Xining Red Star Macalline Real Estate Development Co., Ltd. (西寧紅星美凱龍房地產開發有限公司)	Design consultation income	3,943,188.04	
Henan Chenbo Real Estate Co., Ltd. (河南宸博置業有限公司)	Design consultation income	2,810,361.89	
Yangzhou Xinglong Real Estate Development Co., Ltd. (揚州星龍房地產開發有限公司)	Design consultation income	2,025,660.38	
Changzhou Red Star Macalline Real Estate Co., Ltd. (常州紅星美凱龍置業有限公司)	Design consultation income	2,009,433.97	
Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	Design consultation income	1,843,396.23	
Taiyuan Shuangming Kailong Real Estate Development Co., Ltd. (太原雙明凱龍房地產開發有限公司)	Design consultation income	1,689,514.66	
Taiyuan Shuangmingzhikun Real Estate Development Co., Ltd. (太原雙明智坤房地產開發有限公司)	Design consultation income	1,411,785.22	
Shuyang Xinglong Real Estate Development Co., Ltd. (沈陽星龍房地產開發有限公司)	Design consultation income	1,303,773.59	
Xiangshan Meilong Real Estate Co., Ltd. (象山美龍置業有限公司)	Design consultation income	1,194,379.47	
Suqian Xingkai Real Estate Development Co., Ltd. (宿遷星凱房地產開發有限公司)	Design consultation income	1,104,948.12	
Jinan Xinglong Real Estate Development Co., Ltd. (濟南星龍房地產開發有限公司)	Design consultation income	896,226.42	1,132,075.48
Changzhou Jintan Kaihui Real Estate Development Co., Ltd. (常州金壇凱匯房地產開發有限公司)	Design consultation income	757,547.17	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Yiwu Meilong Real Estate Co., Ltd. (義烏美龍置業有限公司)	Design consultation income	754,716.98	1,623,849.06
Jining Kaixing Shopping Plaza Co., Ltd. (濟寧凱星購物廣場有限公司)	Design consultation income	566,037.74	1,886,792.45
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	Design consultation income	347,264.15	
Xuzhou Maoxing Real Estate Co., Ltd. (徐州茂星置業有限公司)	Design consultation income	235,849.06	
Shaoxing Xingkai Real Estate Co., Ltd. (紹興星凱置業有限公司)	Design consultation income	100,066.03	
Nantong Xinglong Real Estate Development Co., Ltd. (南通星龍房地產開發有限公司)	Design consultation income	70,584.91	603,773.58
Tianjin Xingkai Real Estate Development Co., Ltd. (天津星凱房地產開發有限公司)	Design consultation income		1,556,603.77
Tianjin Meilong Real Estate Development Co., Ltd. (天津美龍房地產開發有限公司)	Design consultation income		1,096,698.12
Taiyuan Red Star Weiye Property Development and Management Co., Ltd. (太原紅星偉業房地產開發經營有限公司)	Design consultation income		1,094,528.31
Cixi Xingkai Real Estate Co., Ltd. (慈溪星凱置業有限公司)	Design consultation income		809,716.98
Nanchang Haoran Real Estate Co., Ltd. (南昌浩然置業有限公司)	Design consultation income		566,037.74
Suzhou Red Star Macalline Real Estate Development Co., Ltd. (蘇州紅星美凱龍房地產開發有限公司)	Design consultation income		257,207.55

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	Rendering of services	2,542,603.19	
Shuyang Xinglong Real Estate Development Co., Ltd. (沭陽星龍房地產開發有限公司)	Rendering of services	1,853,787.80	
Shanghai Macalline Aijia Real Estate Management Consulting Co., Ltd. (上海美凱龍愛家房地產管理諮詢有限公司)	Rendering of services	606,938.96	768,689.44
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Rendering of services	459,187.58	
Shanghai Kaixin Cinema Management Co., Ltd. (上海凱昕影院管理有限公司)	Rendering of services	379,923.88	
Shanghai Linsai Fitness Club Co., Ltd. (上海林賽健身俱樂部有限公司)	Rendering of services	217,452.83	
Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	Rendering of services	205,983.08	982,704.40
Kunming Guangyuan Real Estate Development Co., Ltd. (昆明廣遠房地產開發有限公司)	Rendering of services	191,365.66	
Shanghai Linglong Fitness Club Co., Ltd. (上海玲瀧健身俱樂部有限公司)	Rendering of services	186,664.58	
Kunming Hongxing Haihui Real Estate Co., Ltd. (昆明紅星海匯房地產有限公司)	Rendering of services	170,314.99	918,645.12
Shanghai Linwu Fitness Club Co., Ltd. (上海林武健身俱樂部有限公司)	Rendering of services	140,094.34	91,788.67
Yixing Yimei Studios Co., Ltd. (宜興逸美影城有限公司)	Rendering of services	116,912.58	51,568.43
Suzhou Hongmei Cinema Management Co., Ltd. (蘇州紅美影院管理有限公司)	Rendering of services	116,649.08	52,830.18

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Suzhou Kaimei Cinema Management Co., Ltd. (蘇州凱美影院管理有限公司)	Rendering of services	116,649.08	
Shanghai Xinxing Catering Management Co., Ltd. (上海恣星餐飲管理有限公司)	Rendering of services	94,589.41	
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd. (廣州紅星美凱龍世博家居廣場有限公司)	Rendering of services	94,339.62	
Shanghai Lingsi Fitness Club Co., Ltd. (上海玲思健身俱樂部有限公司)	Rendering of services	83,262.27	
Ningbo Kaixing Cinema Management Co., Ltd. (寧波凱星影院管理有限公司)	Rendering of services	76,507.43	51,835.30
Shanghai Red Star Macalline Real Estate Co. Ltd. (上海紅星美凱龍置業有限公司)	Rendering of services	73,495.17	107,486.61
Shanghai Lingyi Beauty Body Co., Ltd. (上海玲逸美容美體有限公司)	Rendering of services	66,180.00	
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Rendering of services	65,432.84	10,460.42
Changzhou Hongmei Cinema Management Co., Ltd. (常州紅美影院管理有限公司)	Rendering of services	53,766.97	52,830.19
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Rendering of services	47,284.98	
Shanghai Mixing Catering Management Co., Ltd. (上海覓星餐飲管理有限公司)	Rendering of services	37,207.55	
Shanghai Aegean Ole Business Management Co., Ltd. (上海愛琴海奧萊商業管理有限公司)	Rendering of services	32,898.12	15,251.61

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Shanghai Xingchen Interactive Entertainment Technology Co., Ltd. (上海星琛互動娛樂科技有限公司)	Rendering of services	32,236.39	42,877.35
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Rendering of services	29,139.64	
Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	Rendering of services	28,301.89	
Yixing Chenxing Digital Cinema Co., Ltd. (宜興市晨興數字影院有限公司)	Rendering of services	24,409.53	
Shanghai Huangpu Red Star Microfinance Co., Ltd. (上海黃浦紅星小額貸款有限公司)	Rendering of services	12,452.85	4,981.14
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	Rendering of services	9,433.96	12,735.84
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	Rendering of services	7,957.88	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Rendering of services	7,547.17	
Xiaogan Honghe Studios Management Co., Ltd. (孝感泓河影城管理有限公司)	Rendering of services	6,367.92	
Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京)建築材料有限公司)	Rendering of services	4,666.81	
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家家居科技有限公司)	Rendering of services	3,172.78	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Beijing Smart Parking Service Co., Ltd. (北京智泊停車服務有限公司)	Rendering of services	369.81	
Zhejiang Zhongguang Electric Appliances Co., Ltd. (浙江中廣電器股份有限公司)	Rendering of services		1,650,943.38
Shenzhen Huasheng Home Furnishing Group Co., Ltd. (深圳華生大家居集團有限公司)	Rendering of services		786,163.52
Shanghai Qiaotong Enterprise Management Co., Ltd. (上海喬彤企業管理有限公司)	Rendering of services		345,260.18
Ningbo Huixin Real Estate Co., Ltd. (寧波匯鑫置業有限公司)	Rendering of services		325,202.87
Brewster Wallpaper International Trading (Shanghai) Co., Ltd. (布魯斯特牆紙國際貿易(上海)有限公司)	Rendering of services		314,465.40
Changzhou Xingchen Interactive Entertainment Co., Ltd. (常州星琛娛樂科技有限公司)	Rendering of services		66,689.52
Tianjin Laina Huakai Film Co., Ltd. (天津萊納華開影業有限公司)	Rendering of services		59,147.48
Tianjin Hongxing Pacific Cinema Management Co., Ltd. (天津紅星太平洋影院管理有限公司)	Rendering of services		58,175.47
Jinhua Jiayi Film Co., Ltd. (金華市佳藝影業有限公司)	Rendering of services		44,516.65
Tianjin Cameo Film Co., Ltd. (天津卡美奧影業有限公司)	Rendering of services		18,743.40
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Rendering of services		14,969.80
Shanghai Yunshen Intelligent Technology Co., Ltd. (上海雲紳智能科技有限公司)	Rendering of services		2,150.94

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(1) Related Party Transactions in relation to the purchase and sale of goods, provision and receipt of services (continued)

Related Parties	Details of Related Party Transactions	Amount Recognized in the Current Period	Amount Recognized in the Prior Period
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Xingyi Tonghui Commission income regarding prepaid cards	16,251.28	
Taiyuan Red Star Weiye Property Development and Management Co., Ltd. (太原紅星偉業房地產開發經營有限公司)	Xingyi Tonghui Commission income regarding prepaid cards	300.00	
Liuzhou Red Star Macalline Real Estate Co., Ltd. (柳州紅星美凱龍置業有限公司)	Xingyi Tonghui Commission income regarding prepaid cards	300.00	
Yangzhou Kailong Consulting Co., Ltd. (揚州凱龍管理諮詢有限公司)	Xingyi Tonghui Commission income regarding prepaid cards		7.17
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	Xingyi Tonghui Commission income regarding prepaid cards		0.94

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(2) Leases with related parties

The Company acts as a lessor:

Unit: Yuan Currency: RMB

Lessee's name	Type of leased assets	Rental income recognized in the current period	Rental income recognized in the last period
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Office	25,630,084.40	19,662,268.57
Shanghai Macalline Seven Star Hotel Management Co., Ltd. (上海美凱龍七星酒店管理有限公司)	Office	657,582.72	219,194.20
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Office	28,862.93	
Changzhou Longyao Equity Investment Management Co., Ltd. (常州龍耀股權投資管理有限公司)	Office	16,741.74	13,951.50
Changzhou Yizhi International Trade Co., Ltd. (常州市藝致國際貿易有限公司)	Office	6,617.55	
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家居科技有限公司)	Advertising space	9,523.74	
Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	Advertising space		7,749.99
Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	Advertising space		143,766.27
Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	Shop(s) in shopping mall	5,095,657.03	4,926,071.31

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(2) Leases with related parties (continued)

Lessee's name	Type of leased assets	Rental income recognized in the current period	Rental income recognized in the last period
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	Shop(s) in shopping mall	2,464,035.90	1,962,942.20
Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	Shop(s) in shopping mall	2,072,619.60	1,438,223.77
Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	Shop(s) in shopping mall	1,373,254.33	
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Shop(s) in shopping mall	1,087,284.22	919,287.05
Suning.Com Co., Ltd. (蘇寧易購集團股份有限公司) and its subsidiaries	Shop(s) in shopping mall	1,011,658.20	
Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	Shop(s) in shopping mall	768,608.78	
Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	Shop(s) in shopping mall	397,224.43	468,567.83
Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	Shop(s) in shopping mall	377,906.79	193,603.41
Changzhou Yizhi International Trade Co., Ltd. (常州市藝致國際貿易有限公司)	Shop(s) in shopping mall	280,854.23	263,609.96
Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家居科技有限公司)	Shop(s) in shopping mall	279,427.86	624,098.54
Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京)建築材料有限公司)	Shop(s) in shopping mall	255,235.69	
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Shop(s) in shopping mall	249,492.90	112,730.94

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(2) Leases with related parties (continued)

Lessee's name	Type of leased assets	Rental income recognized in the current period	Rental income recognized in the last period
Mex Smart Home (Shen Zhen) Co., Ltd. (美時智能家居(深圳)有限公司)	Shop(s) in shopping mall	239,820.26	
Ningbo Qiangshang Home Living Company Limited (寧波牆尚家居有限公司)	Shop(s) in shopping mall	205,531.44	150,021.72
Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產管理諮詢有限公司)	Shop(s) in shopping mall	184,965.78	
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	Shop(s) in shopping mall	184,688.10	181,809.72
Zhengzhou Xingbo Real Estate Development Co., Ltd. (鄭州星鉑房地產開發有限公司)	Shop(s) in shopping mall	173,394.48	165,137.64
CAO Zhongmin (曹仲民)	Shop(s) in shopping mall	107,292.65	107,292.66
ZHANG Jianfang (張建芳)	Shop(s) in shopping mall	81,536.50	81,536.52
Jiangyin Tishang Home Furnishing Co., Ltd. (江陰提尚家居有限公司)	Shop(s) in shopping mall	32,948.10	
Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	Shop(s) in shopping mall		43,056.60
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Shop(s) in shopping mall		123,302.76
Klas International Home Living Company Limited (克拉斯國際家居有限公司)	Shop(s) in shopping mall		3,124,272.81

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(2) Leases with related parties (continued)

Lessee's name	Type of leased assets	Rental income recognized in the current period	Rental income recognized in the last period
Shanghai Xinhua Chengcheng Asset Management Co., Ltd. (上海新華成城資產管理有限公司)	Parking garage	9,571,727.96	9,487,870.62
Shanghai Red Star Parking Management Co., Ltd. (上海紅星停車管理有限公司)	Parking garage	1,333,333.33	
Beijing Sunsea Parking Management Co., Ltd. (北京陽光海天停車管理有限公司)	Parking garage	710,238.10	824,047.76
Beijing Smart Parking Service Co., Ltd. (北京智泊停車服務有限公司)	Parking garage	476,190.48	
Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	Parking garage	184,954.14	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(2) Leases with related parties (continued)

The Company acts as a lessee:

Unit: Yuan Currency: RMB

Lessor's name	Type of leased assets	Rental expenses recognized in the current period	Rental expenses recognized in the last period
Changzhou Red Star Home Furnishing City (常州市紅星裝飾城) (Note 1)	Shopping mall(s)	11,929,383.05	7,101,694.25
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Office	2,582,929.89	1,444,887.41
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	Shop(s) in shopping mall	25,794.56	11,500.06
Xuzhou Red Star Macalline Global Home Life Plaza Property Management Co., Ltd. (徐州紅星美凱龍全球家居生活廣場物業管理有限公司)	Warehouse		5,290.42
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	Shop(s) in shopping mall	64,365.69	47,070.67
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	Shop(s) in shopping mall	90,469.45	64,987.30
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Shop(s) in shopping mall	49,519.19	74,457.50
CHEN Shuhong (陳淑紅)	Dormitory	52,000.00	52,000.00
CHE Guoxing (車國興)	Dormitory	369,600.00	369,600.00
Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	Shop(s) in shopping mall	1,152,336.27	

Explanations on leases with related parties

Note 1: The amount is presented without considering the impact of the new leasing standard

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees

The Company acts as the guaranteed party

Unit: Yuan Currency: RMB

Guarantors	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 1)	512,400,000.00	2018-06-11	2025-06-11	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 2)	222,000,000.00	2020-05-15	2022-05-15	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 3)	444,000,000.00	2019-06-20	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 4)	136,000,000.00	2019-12-19	2029-12-19	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 4)	306,000,000.00	2020-01-17	2030-01-17	No
CHE Jianxing (車建興) (Note 5)	250,000,000.00	2017-06-08	2026-06-08	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 6)	358,320,000.00	2020-12-18	2030-12-18	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 7)	970,000,000.00	2020-10-23	2023-10-22	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 8)	600,000,000.00	2020-06-16	2030-06-16	No

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees (continued)

Guarantors	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 9)	533,500,000.00	2020-12-26	2035-12-25	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 10)	249,666,666.62	2018-02-26	2026-02-26	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 11)	680,000,000.00	2019-08-30	2031-06-15	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 12)	433,500,000.00	2019-09-25	2026-09-17	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 13)	350,000,000.00	2020-06-30	2030-06-29	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 14)	412,500,000.00	2019-12-27	2031-12-27	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 15)	230,000,000.00	2021-02-22	2028-02-21	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 16)	430,000,000.00	2020-03-25	2030-03-25	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 17)	111,500,000.00	2019-12-30	2027-12-20	No

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees (continued)

Guarantors	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 17)	83,000,000.00	2019-12-30	2027-12-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 18)	71,250,000.00	2020-07-22	2030-07-27	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 19)	530,000,000.00	2020-03-20	2028-03-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 20)	143,400,000.00	2021-07-05	2022-07-05	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	222,200,000.00	2019-07-01	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	52,800,000.00	2019-09-20	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	4,800,000.00	2019-11-21	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	115,000,000.00	2020-01-03	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	11,500,000.00	2020-03-10	2029-06-20	No

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees (continued)

Guarantors	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	4,800,000.00	2020-03-18	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	13,256,600.00	2020-04-01	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	105,500,000.00	2020-12-31	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 21)	54,743,400.00	2020-12-31	2029-06-20	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 22)	54,379,471.01	2020-11-03	2025-11-02	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 23)	340,000,000.00	2018-07-09	2028-07-09	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 24)	350,000,000.00	2021-06-07	2023-06-07	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	40,000,000.00	2021-05-31	2022-05-31	No

Explanations on related party guarantees

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees (continued)

- Note 1:* The loan is also secured by the investment property of Chongqing Xingkaike Home Furnishing Company Limited (重慶星凱科家居有限公司), a subsidiary of the Group. It is pledged by 100% equity of Tianjin Jinrui Corporate Management Company Limited (天津津瑞企業管理有限公司) held by Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司).
- Note 2:* The loan is also secured by the investment property of Tianjin Macalline Home Furnishings Plaza Co., Ltd. (天津美凱龍家居傢飾生活廣場有限公司), a subsidiary of the Group. It is pledged with all revenues from the shopping malls of Tianjin Macalline Home Furnishings Plaza Co., Ltd. (天津美凱龍家居傢飾生活廣場有限公司).
- Note 3:* The loan is also secured by the investment property of Zhengzhou Red Star Macalline International Home Furnishing Company Limited (鄭州紅星美凱龍國際家居有限公司), a subsidiary of the Group.
- Note 4:* The loan is also secured by the investment property of Zhengzhou Red Star Macalline International Home Furnishing Company Limited (鄭州紅星美凱龍國際家居有限公司), a subsidiary of the Group. It is pledged with all revenues from the shopping malls of Zhengzhou Red Star Macalline International Home Furnishing Company Limited (鄭州紅星美凱龍國際家居有限公司).
- Note 5:* The loan is also secured by the investment property of Chongqing Red Star Macalline Expo Home Furnishing Plaza Company Limited (重慶紅星美凱龍博覽家居生活廣場有限責任公司), a subsidiary of the Group.
- Note 6:* The loan is also secured by the investment property of Hefei Red Star Macalline Shibo Furniture Plaza Company Limited (合肥紅星美凱龍世博家居廣場有限公司), a subsidiary of the Group. It is pledged with the deposits and accounts receivable of Hefei Red Star Macalline Shibo Furniture Plaza Company Limited (合肥紅星美凱龍世博家居廣場有限公司).
- Note 7:* The loan is also secured by the investment property of Tianjin Red Star Macalline International Home Furnishing Expo Company Limited (天津紅星美凱龍國際家居博覽有限公司), a subsidiary of the Group. It is pledged with the accounts receivable of Tianjin Red Star Macalline International Home Furnishing Expo Company Limited (天津紅星美凱龍國際家居博覽有限公司).
- Note 8:* The loan is also secured by the investment property of Suzhou Industry Park Red Star Macalline Home Furnishing Company Limited (蘇州工業園區紅星美凱龍家居有限公司), a subsidiary of the Group.
- Note 9:* The loan is also secured by the investment property of Shanghai Red Star Macalline Xinglong Home Furnish Company Limited (上海紅星美凱龍星龍家居有限公司), a subsidiary of the Group. It is pledged with the accounts receivable of Shanghai Red Star Macalline Xinglong Home Furnish Company Limited (上海紅星美凱龍星龍家居有限公司).
- Note 10:* The loan is also secured by the investment property of Chengdu Tianfu New District Red Star Macalline World Trade Home Furnishing Company Limited (成都天府新區紅星美凱龍世貿家居有限公司), a subsidiary of the Group.
- Note 11:* The loan is also secured by the investment property of Dalian Red Star Macalline Shibo Home Furnishing Plaza Company Limited (大連紅星美凱龍世博家居廣場有限公司), a subsidiary of the Group.
- Note 12:* The loan is also secured by the investment property of Nanchang Red Star Macalline Global Home Expo Center Co., Ltd. (南昌紅星美凱龍環球家居博覽中心有限責任公司), a subsidiary of the Group.
- Note 13:* The loan is also secured by the investment property of Chongqing Red Star Macalline Home Furnishing Plaza Company Limited (重慶紅星美凱龍家居生活廣場有限責任公司), a subsidiary of the Group.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(3) Related party guarantees (continued)

Note 14: The loan is also secured by the investment property of Ningbo Red Star Macalline Home Shopping Plaza Company Limited (寧波紅星美凱龍家居購物廣場有限公司), a subsidiary of the Group. It is pledged with the accounts receivable of Ningbo Red Star Macalline Home Shopping Plaza Company Limited (寧波紅星美凱龍家居購物廣場有限公司).

Note 15: The loan is also secured by the investment property of Nantong Hongmei Shibo Home Furnishing Plaza Company Limited (南通紅美世博家居廣場有限公司), a subsidiary of the Group.

Note 16: The loan is also secured by the investment property of Nanning Red Star Macalline Shibo Home Furnishing Exhibition Centre Company Limited (南寧紅星美凱龍世博家居展覽中心有限公司), a subsidiary of the Group.

Note 17: The loan is also secured by the investment property of Shanghai Jianliu Management Company Limited (上海簡柳管理有限公司) and Shanghai Enliu Enterprise Management Company Limited (上海蔥柳企業管理有限公司), the subsidiaries of the Group.

Note 18: The loan is also secured by the investment property of Shanghai Bencheng Enterprise Management Company Limited (上海賽程企業管理有限公司), a subsidiary of the Group.

Note 19: The loan is also secured by the investment property of Foshan Junda Enterprise Management Co., Ltd. (佛山郡達企業管理有限公司), a subsidiary of the Group. It is pledged with the rental income after the opening of Foshan Junda Enterprise Management Co., Ltd. (佛山郡達企業管理有限公司).

Note 20: The loan is also secured by the investment property of Hangzhou Red Star Macalline Global Home Living Company Limited (杭州紅星美凱龍環球家居有限公司), a subsidiary of the Group.

Note 21: The loan is also secured by the investment property of Hangzhou Weiliang Electromechanical Hardware Market Co., Ltd. (杭州偉量機電五金市場有限公司), a subsidiary of the Group.

Note 22: The loan is also secured by the investment property of Shaanxi Red Star Heji Home Shopping Plaza Company Limited (陝西紅星和記家居購物廣場有限公司), a subsidiary of the Group. It is pledged with the accounts receivable of Shaanxi Red Star Heji Home Shopping Plaza Company Limited (陝西紅星和記家居購物廣場有限公司).

Note 23: The loan is also secured by the investment property of Suzhou Mudu Group Co., Ltd. (蘇州市木瀆集團有限公司), a subsidiary of the Group.

Note 24: The loan is also secured by the investment property of Dongguan Red Star Macalline Shibo Furniture Plaza Company Limited (東莞紅星美凱龍世博家居廣場有限公司), a subsidiary of the Group.

Note 25: The Company and Macalline Logistics (a 60%-owned subsidiary of the Company) sold the 7 controlling subsidiaries (logistics and warehousing business segment) to Tianjin Yuanchuan (the designated Purchaser of Sino-Ocean Capital). Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司), the controlling shareholder of the Company, provided guarantees for the Vendors of transaction. After negotiated by both parties, the transaction price is approximately RMB2.5 billion, and the final transaction price needs to be determined according to the adjustment mechanism agreed by both parties.

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(4) Loans and borrowings of the related parties

Unit: Yuan Currency: RMB

Related parties	Lending amount	Inception date	Expiration date	Instructions
Borrowings				
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	480,000,000.00			
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	300,000,000.00			The debt has been repaid as of the reporting date
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	120,000,000.00			The debt has been repaid as of the reporting date
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	84,000,000.00			The debt has been repaid as of the reporting date

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(4) Loans and borrowings of the related parties (continued)

Related parties	Lending amount	Inception date	Expiration date	Instructions
Lendings				
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	2,939,992.40	15 March 2021	14 March 2022	
Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	10,000,000.00			Repayable on demand and interest-free
Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	24,080,000.00			Repayable on demand and interest-free

(5) Assets transfer and debt restructuring of related parties

Unit: Yuan Currency: RMB

Related party	Details of related party transaction	Amount in the current period	Amount in the last period
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (Note 1)	Acquisition of property companies	–	–

Note 1: During the Reporting Period, Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司) acquired 90% equity interest of Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業管理服務有限公司) from Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司), its controlling shareholder, through transfer at a consideration of RMB0.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Information on Related Party Transactions (continued)

(6) Compensation for key management personnel

Unit: ten thousand Yuan Currency: RMB

Item	Amount in the current period	Amount in the last period
Compensation for key management personnel	1,562.21	982.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties

(1) Receivables

Unit: Yuan Currency: RMB

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Danyang Rongjin Hongxing Real Estate Development Co., Ltd. (丹陽市融錦宏星置業發展有限公司)	17,523,275.08	788,547.38	13,276,292.60	597,433.17
Accounts receivable	Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	13,000,000.00	13,000,000.00	13,000,000.00	13,000,000.00
Accounts receivable	Zhanjiang Haixin Meikai Investment Co., Ltd. (湛江市海新美凱投資有限公司)	10,471,876.09	497,414.11	5,483,309.29	260,457.19
Accounts receivable	Shanghai Luochang Enterprise Management Co., Ltd. (上海洛昶企業管理有限公司)	10,038,283.74	476,818.48		
Accounts receivable	Xining Aegean Real Estate Development Co., Ltd. (西寧愛琴海房地產開發有限公司)	9,290,878.44	441,316.73	16,775,697.35	796,845.62
Accounts receivable	Hengshui Xinglong Real Estate Development Co., Ltd. (衡水星龍房地產開發有限公司)	7,139,061.57	333,847.45	2,434,648.54	115,071.13
Accounts receivable	Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	7,010,618.14	333,004.36	6,642,048.30	315,497.29
Accounts receivable	Changchun Red Star Macalline Real Estate Development Co., Ltd. (長春紅星美凱龍房地產開發有限公司)	6,794,802.03	322,753.10	497,052.37	23,609.99
Accounts receivable	Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	6,163,633.37	292,338.80	6,465,742.14	306,688.96
Accounts receivable	Changxing Ronghao Trading Co., Ltd. (長興榮皓貿易有限公司)	4,995,911.91	224,816.04	3,136,419.36	141,138.87
Accounts receivable	Henan Chenbo Real Estate Co., Ltd. (河南宸博置業有限公司)	4,924,223.92	221,590.08	1,544,511.44	69,503.01
Accounts receivable	Xining Red Star Macalline Real Estate Development Co., Ltd. (西寧紅星美凱龍房地產開發有限公司)	4,168,921.44	198,023.77	2,632,763.96	125,056.29
Accounts receivable	Shenzhen Huasheng Home Furnishing Group Co., Ltd. (深圳華生大家居集團有限公司)	3,999,999.99	3,999,999.99	3,999,999.99	3,999,999.99
Accounts receivable	Ganzhou Kaiyue Real Estate Co., Ltd. (贛州凱越置業有限公司)	3,842,109.21	182,500.19		
Accounts receivable	Zhejiang Zhongguang Electric Appliances Co., Ltd. (浙江中廣電器股份有限公司)	3,499,999.97	3,499,999.97	3,499,999.97	3,499,999.97

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Shanghai Xinhua Chengcheng Asset Management Co., Ltd. (上海新華成城資產管理有限公司)	3,333,333.27	150,000.00	13,333,333.36	600,000.00
Accounts receivable	Anka Household Products (Shanghai) Co., Ltd. (安咖家居用品(上海)有限公司)	2,827,564.48	127,240.40	640,000.00	28,800.00
Accounts receivable	Changzhou Red Star Macalline Real Estate Co., Ltd. (常州紅星美凱龍置業有限公司)	2,267,340.00	107,698.65	137,340.00	6,523.65
Accounts receivable	Yangzhou Xinglong Real Estate Development Co., Ltd. (揚州星龍房地產開發有限公司)	2,147,200.00	101,992.00	10,100,000.00	475,000.00
Accounts receivable	Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	1,954,000.00	92,815.00	1,834,000.00	87,115.00
Accounts receivable	Taiyuan Shuangmingzhikun Real Estate Development Co., Ltd. (太原雙明智坤房地產開發有限公司)	1,789,395.70	161,045.61	1,000,422.88	47,520.09
Accounts receivable	Tianjin Xingkai Real Estate Development Co., Ltd. (天津星凱房地產開發有限公司)	1,650,000.00	78,375.00	1,650,000.00	78,375.00
Accounts receivable	Changzhou Jintan Weiyi Construction Engineering Co., Ltd. (常州市金壇維億建設工程有限公司)	1,500,000.00	477,750.00	1,500,000.00	503,550.00
Accounts receivable	Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	1,440,450.78	253,343.03	1,632,453.42	548,014.61
Accounts receivable	Nanchang Haoran Real Estate Co., Ltd. (南昌浩然置業有限公司)	1,278,000.00	60,705.00	1,278,000.00	60,705.00
Accounts receivable	Ningbo Kailong Property Company Limited (寧波凱龍置業有限公司)	1,275,991.39	114,839.23	1,419,838.25	127,785.44
Accounts receivable	Suqian Xingkai Real Estate Development Co., Ltd. (宿遷星凱房地產開發有限公司)	1,171,245.00	55,634.14		
Accounts receivable	Suning.Com Co., Ltd. (蘇寧易購集團股份有限公司) and its subsidiaries	1,065,240.29	47,935.81		
Accounts receivable	Jinan Xinglong Real Estate Development Co., Ltd. (濟南星龍房地產開發有限公司)	950,000.00	45,125.00	900,000.00	42,750.00
Accounts receivable	Changzhou Jintan Kaihui Real Estate Development Co., Ltd. (常州金壇凱匯房地產開發有限公司)	803,000.00	38,142.50		
Accounts receivable	Yiwu Meilong Real Estate Co., Ltd. (義烏美龍置業有限公司)	800,000.00	38,000.00		

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Shanghai Kaixin Cinema Management Co., Ltd. (上海凱昕影院管理有限公司)	753,219.31	33,894.87	350,500.00	15,772.50
Accounts receivable	Changzhou Aegean Ole Business Management Co., Ltd. (常州愛琴海奧萊商業管理有限公司)	700,260.00	31,511.70		
Accounts receivable	Shanghai CTME Economy & Trade Development Co., Ltd. (上海中質美凱龍經貿發展有限公司)	604,295.88	28,704.05	668,263.10	31,742.50
Accounts receivable	Tianjin Meilong Real Estate Development Co., Ltd. (天津美龍房地產開發有限公司)	600,000.00	28,500.00	600,000.00	28,500.00
Accounts receivable	Jining Kaixing Shopping Plaza Co., Ltd. (濟寧凱星購物廣場有限公司)	600,000.00	28,500.00		
Accounts receivable	Cixi Haorui Real Estate Co., Ltd. (慈溪皓瑞置業有限公司)	512,700.00	23,071.50		
Accounts receivable	Xiangshan Kaisheng Real Estate Co., Ltd. (象山凱勝置業有限公司)	449,870.43	21,368.85	1,637,282.88	77,770.94
Accounts receivable	Liuzhou Red Star Macalline Real Estate Co., Ltd. (柳州紅星美凱龍置業有限公司)	402,884.17	18,345.24	1,006,303.96	47,007.68
Accounts receivable	Shanghai Linwu Fitness Club Co., Ltd. (上海林茂健身俱樂部有限公司)	364,500.00	16,402.50	216,000.00	9,720.00
Accounts receivable	Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	359,553.93	17,078.81	4,804,542.78	228,215.78
Accounts receivable	Shanghai Linsai Fitness Club Co., Ltd. (上海林賽健身俱樂部有限公司)	335,500.00	15,097.50	105,000.00	4,725.00
Accounts receivable	Suzhou Kaimei Cinema Management Co., Ltd. (蘇州凱美影院管理有限公司)	245,553.37	11,049.90	121,905.37	5,485.74
Accounts receivable	Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	226,953.30	10,212.90		
Accounts receivable	Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	210,682.42	10,007.41	210,682.42	10,007.41
Accounts receivable	Shanghai Linglong Fitness Club Co., Ltd. (上海玲瓏健身俱樂部有限公司)	197,864.40	8,903.90		
Accounts receivable	Shanghai Lingsi Fitness Club Co., Ltd. (上海玲思健身俱樂部有限公司)	168,258.00	7,571.61	80,000.00	3,600.00

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Suzhou Hongmei Cinema Management Co., Ltd. (蘇州紅美影院管理有限公司)	123,648.00	5,564.16	56,000.00	2,520.00
Accounts receivable	Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍家居科技有限公司)	115,295.00	5,188.28		
Accounts receivable	Xuzhou Red Star Macalline International Home Furnishings City Co., Ltd. (徐州紅星美凱龍國際傢俱裝飾城有限公司)	112,292.11	37,696.47	112,292.13	37,696.47
Accounts receivable	Ningbo Kaixing Cinema Management Co., Ltd. (寧波凱星影院管理有限公司)	102,763.66	4,624.36	36,396.39	1,637.84
Accounts receivable	Shanghai Xinxing Catering Management Co., Ltd. (上海忒星餐飲管理有限公司)	100,264.80	4,511.92		
Accounts receivable	Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	100,000.00	4,500.00	100,000.00	4,500.00
Accounts receivable	Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	100,000.00	4,500.00	100,000.00	4,500.00
Accounts receivable	Changzhou Xingchen Interactive Entertainment Co., Ltd. (常州星琛娛樂科技有限公司)	88,933.74	4,002.02	88,933.74	4,002.02
Accounts receivable	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	88,177.99	4,188.45	19,920.56	896.43
Accounts receivable	Yixing Yimei Studios Co., Ltd. (宜興逸美影城有限公司)	84,637.04	3,808.67		
Accounts receivable	Xiangshan Meilong Real Estate Co., Ltd. (象山美龍置業有限公司)	80,193.73	3,809.20	80,193.73	3,809.20
Accounts receivable	Nantong Xinglong Real Estate Development Co., Ltd. (南通星龍房地產開發有限公司)	74,820.00	3,553.95		
Accounts receivable	Shanghai Lingyi Beauty Body Co., Ltd. (上海玲逸美容美體有限公司)	70,150.80	3,156.79		
Accounts receivable	Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	66,836.00	3,007.62		
Accounts receivable	Changzhou Hongmei Cinema Management Co., Ltd. (常州紅美影院管理有限公司)	63,000.00	2,835.00	70,722.48	3,182.51
Accounts receivable	Tianjin Hongxing Pacific Cinema Management Co., Ltd. (天津紅星太平洋影院管理有限公司)	61,666.00	2,774.97	61,666.00	2,774.97

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	52,457.46	2,360.59		
Accounts receivable	Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	45,250.00	2,036.25	21,450.00	965.25
Accounts receivable	Tianjin Laina Huakai Film Co., Ltd. (天津萊納華開影業有限公司)	40,696.33	1,831.33	40,696.33	1,831.33
Accounts receivable	Shanghai Mixing Catering Management Co., Ltd. (上海覓星餐飲管理有限公司)	39,440.00	1,774.80		
Accounts receivable	Yuyao Xingkai Real Estate Co., Ltd. (余姚星凱置業有限公司)	32,000.00	1,440.00	32,000.00	1,440.00
Accounts receivable	Xiangshan Xinglong Real Estate Co., Ltd. (象山星龍置業有限公司)	30,500.00	1,372.50	610,000.00	27,450.00
Accounts receivable	Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	27,950.00	1,257.75		
Accounts receivable	Tianjin Macalline Real Estate Co., Ltd. (天津美凱龍置業有限公司)	14,700.00	661.50	14,700.00	661.50
Accounts receivable	Shanghai Red Star Macalline Real Estate Co. Ltd. (上海紅星美凱龍置業有限公司)	13,771.80	619.73		
Accounts receivable	Shanghai Longhong Cinema Management Co., Ltd. (上海龍紅影院管理有限公司)	12,000.00	540.00	17,000.00	765.00
Accounts receivable	Shanghai Xingyinhai Industrial Co., Ltd. (上海星銀海實業有限公司)	10,800.00	486.00		
Accounts receivable	Tianjin Cameo Film Co., Ltd. (天津卡美奧影業有限公司)	9,934.00	447.03	9,934.00	447.03
Accounts receivable	Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	9,800.00		31,530.00	1,418.85
Accounts receivable	Yixing Chenxing Digital Cinema Co., Ltd. (宜興市晨興數字影院有限公司)	8,624.70	388.11	54,724.30	2,462.59
Accounts receivable	Shanghai Kaihong Cinema Management Co., Ltd. (上海凱紅影院管理有限公司)	7,933.00	356.99	7,933.00	356.99
Accounts receivable	Shanghai Hongxin Cinema Management Co., Ltd. (上海紅昕影院管理有限公司)	7,000.00	315.00	9,946.00	447.57
Accounts receivable	Shanghai Xinhong Cinema Management Co., Ltd. (上海昕紅影院管理有限公司)	6,350.00	285.75	13,350.00	600.75
Accounts receivable	Qingdao Hongying Cinema Management Co., Ltd. (青島紅影影院管理有限公司)	6,300.00	283.50	6,300.00	283.50
Accounts receivable	Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	5,200.00	234.00	5,200.04	234.00

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Accounts receivable	Shanghai Meijing Enterprise Management Co., Ltd. (上海美影企業管理有限公司)	4,000.00	180.00	6,655.00	299.48
Accounts receivable	Shanghai Aegean Commercial Group Co., Ltd. (上海愛琴海商業集團股份有限公司)	3,600.00	162.00	100,000.00	4,500.00
Accounts receivable	Shanghai Xinglong Cinema Management Co., Ltd. (上海星龍影院管理有限公司)	3,000.00	135.00	3,000.00	135.00
Accounts receivable	Shanghai Red Star Jinghai Commercial Management Co., Ltd. (上海紅星晶海商業管理有限公司)	1,800.00	81.00		
Accounts receivable	Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	337.61	15.19	1,397.12	62.87
Accounts receivable	Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)			100,014.10	4,500.63
Accounts receivable	Shuyang Xinglong Real Estate Development Co., Ltd. (瀘陽星龍房地產開發有限公司)			3,700,796.86	175,787.85
Accounts receivable	Qingdao Dana International Studios Co., Ltd. (青島德納國際影城有限公司)			69,174.60	3,112.86
Accounts receivable	Shanghai Aegean Ole Business Management Co., Ltd. (上海愛琴海奧萊商業管理有限公司)			5,812.00	261.54
Accounts receivable	Shanghai Xingkai Cinema Management Co., Ltd. (上海星凱影院管理有限公司)			7,000.00	315.00
Accounts receivable	Xiaogan Honghe Studios Management Co., Ltd. (孝感泓河影城管理有限公司)			18,000.00	810.00
Accounts receivable	Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產管理諮詢有限公司)			223,746.72	10,627.97
Prepayments	Shanghai Xingyue Property Service Co., Ltd. (上海星悅物業服務有限公司) and its branches	20,661,940.29			
Prepayments	Hangzhou Alimama Software Services Co., Ltd. (杭州阿里媽媽軟件服務有限公司)	4,051,559.78		1,974,900.22	
Prepayments	Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之城商業經營管理有限公司)	3,351,717.60		3,351,717.60	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Prepayments	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	2,122,830.17		2,136,672.37	
Prepayments	Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算科技有限公司)	886,500.00			
Prepayments	Shanghai AI.Pure Intelligent Technology Co., Ltd. (上海智諦智能科技有限公司)	764,526.50		750,875.00	
Prepayments	Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)	600,000.00		138,775.00	
Prepayments	Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	572,805.00		572,805.00	
Prepayments	Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司)	495,718.69		684,024.31	
Prepayments	Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	228,677.34		214,788.44	
Prepayments	Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	210,180.00		210,180.00	
Prepayments	Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	175,386.24		101,603.14	
Prepayments	Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司)	133,900.15		137,840.80	
Prepayments	Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	119,648.32			
Prepayments	Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活 廣場置業有限公司)	47,619.02			
Prepayments	Binzhou Inzone Green Home Co., Ltd. (濱州銀座家居有限公司)	29,816.51			
Prepayments	Century Meishang (Guangzhou) Cosmetics Co., Ltd. (世紀美尚(廣州)化妝品有限公司)	27,924.00			
Prepayments	Shanghai Qingcong Beauty Technology Co., Ltd. (上海青蔥美容科技有限公司)	22,620.00			
Prepayments	Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	16,100.00			
Prepayments	Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	12,380.96		47,460.42	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Prepayments	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	11,443.05			
Prepayments	Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司)	10,988.00		10,000.00	
Prepayments	Meishang Scientific Research (Guangdong) International Biotechnology Co., Ltd. (美尚科研(廣東)國際生物科技股份有限公司)	9,282.00			
Prepayments	Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	5,254.38		14,905.28	
Prepayments	Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	950.22		254,469.73	
Prepayments	Henan Many Craftsmen Information Technology Co., Ltd. (河南匠多多信息科技有限公司)	570.00			
Prepayments	Shanghai Aegean Business Management Co., Ltd. (上海愛琴海商務管理有限公司)			169,410.85	
Prepayments	Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)			66,669.81	
Prepayments	Alibaba Cloud Computing Co., Ltd. (阿里雲計算有限公司)			150,102.12	
Prepayments	Changzhou Aegean Ole Business Management Co., Ltd. (常州愛琴海奧萊商業管理有限公司)			60,000.00	
Prepayments	Shanghai CONJOINT Construction Technology Co., Ltd. (上海開裝建築科技有限公司)			33,800.88	
Prepayments	Dream Maker Home (Shenzhen) Co., Ltd. (造夢者家居(深圳)有限公司)	N/A		35,110.87	
Other receivables	Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	154,200,000.50	7,710,000.03	149,960,000.50	7,498,000.03
Other receivables	Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	43,114,785.94	9,749,224.13	43,111,229.38	10,511,344.89

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Other receivables	Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	24,088,880.00	279,459.22	3,632,480.00	257,919.52
Other receivables	Yunnan Red Star Macalline Real Estate Co., Ltd. (雲南紅星美凱龍置業有限公司)	4,031,492.11	4,031,492.11	4,031,492.11	4,031,492.11
Other receivables	Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	2,457,589.13	78,308.38	10,111.00	692.71
Other receivables	Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	1,764,626.67	243,963.70	1,746,373.14	119,645.36
Other receivables	Shanghai Yunshen Intelligent Technology Co., Ltd. (上海雲紳智能科技有限公司)	1,200,000.00	1,200.00		
Other receivables	Xuzhou Red Star Macalline International Home Furnishings City Co., Ltd. (徐州紅星美凱龍國際傢俱裝飾城有限公司)	1,199,365.71	78,308.38		
Other receivables	Hangzhou Alimama Software Services Co., Ltd. (杭州阿里媽媽軟件服務有限公司)	662,209.65	14,180.26	198,421.42	198.42
Other receivables	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	575,112.42	575.11	634,375.89	8,717.63
Other receivables	Anhui Tenghui Investment Group Hefei Company Limited (安徽騰輝投資集團合肥有限公司)	500,000.00	69,860.13	500,000.00	34,255.38
Other receivables	Zhengzhou Xingbo Real Estate Development Co., Ltd. (鄭州星鉞房地產開發有限公司)	396,900.00	8,499.04		
Other receivables	Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)	240,000.00	240.00	240,000.00	
Other receivables	Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司)	210,000.00	210.00	410,000.00	410.00
Other receivables	Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	200,000.00	200.00		
Other receivables	Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	100,000.00	100.00	100,000.00	
Other receivables	Jinan Xinglong Real Estate Development Co., Ltd. (濟南星龍房地產開發有限公司)	100,000.00	100.00		
Other receivables	Suzhou Supin Home Culture Co., Ltd. (蘇州市蘇品宅配文化有限公司)	82,155.56		82,155.56	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Other receivables	Zhejiang Alibaba Communication Technology Co., Ltd. (浙江阿里巴巴通信技術有限公司)	14,264.80	305.46		
Other receivables	Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	11,008.40			
Other receivables	Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	10,000.00		10,000.00	
Other receivables	Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	4,800.00	4.80	31,011,166.70	505.73
Other receivables	Hangzhou Nabel Group Co., Ltd. (杭州諾貝爾集團有限公司) and its branches	4,000.00			
Other receivables	Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司)	3,176.22	3.18	3,765.21	3.77
Other receivables	Shanghai Aegean Business Management Co., Ltd. (上海愛琴海商務管理有限公司)			256,900.00	
Other receivables	Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)			1,375,341.55	94,225.70
Other receivables	Handan Fengfengkuang District Royal Property Development Company Limited (邯鄲市峰峰礦區皇室房地產開發有限公司)	N/A	279,440.54	2,000,000.00	137,021.53
Other receivables	Wenzhou Xinglong Real Estate Development Co., Ltd. (溫州星龍房地產開發有限責任公司)			100,000.00	
Contract assets	Shanghai Luochang Enterprise Management Co., Ltd. (上海洛昶企業管理有限公司)	26,667,257.84	1,266,694.75	46,008,051.21	142,624.96
Contract assets	Xining Aegean Real Estate Development Co., Ltd. (西寧愛琴海房地產開發有限公司)	24,177,800.95	1,148,445.55	14,868,995.22	46,093.89

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(1) Receivables (continued)

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt allowance	Book balance	Bad debt allowance
Contract assets	Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	12,016,074.22	570,763.53	16,358,778.89	50,712.21
Contract assets	Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產開發有限公司)			17,125,491.85	53,089.02
Contract assets	Xiangshan Kaisheng Real Estate Co., Ltd. (象山凱勝置業有限公司)			589,156.72	1,826.39
Other current assets	Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	102,710,559.82	1,027,105.60	98,839,000.00	988,390.00
Other current assets	Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	5,992,293.70	59,922.94		
Other current assets	Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	3,600,000.00	36,000.00		
Other non-current assets	Chengdu Red Star Macalline Real Estate Co., Ltd. (成都紅星美凱龍置業有限公司)	247,705,000.00		247,705,000.00	
Other non-current assets	Aibi (Beijing) Intelligent Technology Co., Ltd. (愛筆(北京)智能科技有限公司)	N/A		100,000,000.00	
Other non-current assets	Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	4,200,000.00	42,000.00		
Long-term receivables	Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	32,983,092.25	329,830.92	30,043,099.85	300,431.00

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables

		Unit: Yuan Currency: RMB	
Items	Related parties	Closing book balance	Opening book balance
Account payable	Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	44,461,549.77	68,537,477.95
Account payable	Shanghai Xincheng'an Construction Co., Ltd. (上海鑫誠安建設有限公司)	22,111,498.09	39,473,502.92
Account payable	Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程 有限公司)	8,756,598.93	9,807,364.91
Account payable	Shanghai Hongxing Cloud Computing Technology Co., Ltd. (上海紅星雲計算 科技有限公司)	4,950,866.00	20,000.00
Account payable	Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫 文化科技諮詢股份有限公司)	572,000.00	213,636.49
Account payable	Shanghai AI.Pure Intelligent Technology Co., Ltd. (上海智諦智能科技有限公司)	517,010.27	912,388.51
Account payable	Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	248,530.50	803,190.50
Account payable	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝 爾陶瓷有限公司) and its branches	100,901.80	727,233.56
Account payable	Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產 管理諮詢有限公司)	9,120.98	
Account payable	CHE Guoxing (車國興)		291,500.00
Account payable	Shenyang Red Star Macalline Property Management Co., Ltd. (瀋陽紅星美凱龍物業管理有限公司)		138,775.00
Advance from customers	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	2,069,386.05	442,869.67

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Advance from customers	Klas International Home Living Company Limited (克拉斯國際家居有限公司)	910,880.96	246,834.65
Advance from customers	Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	799,426.98	129,197.97
Advance from customers	CHE Yuqin (車玉琴)	766,736.93	766,736.93
Advance from customers	Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	427,496.37	106,520.34
Advance from customers	Shanghai Macalline Seven Star Hotel Management Co., Ltd. (上海美凱龍七星酒店管理有限公司)	358,382.58	358,382.58
Advance from customers	Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	335,400.68	
Advance from customers	CHE Jianguo (車建國)	252,101.86	252,101.86
Advance from customers	Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	186,410.67	636,009.21
Advance from customers	Shanghai Weilaishi Decoration Technology Co., Ltd. (上海威來適裝飾科技有限公司)	144,144.02	
Advance from customers	Changzhou Yizhi International Trade Co., Ltd. (常州市藝致國際貿易有限公司)	141,086.97	6,974.77
Advance from customers	Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	100,800.00	100,800.00
Advance from customers	Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	81,436.43	2,306.26
Advance from customers	Ningbo Qiangshang Home Living Company Limited (寧波牆尚家居有限公司)	72,208.50	72,208.50
Advance from customers	Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	48,876.03	67,916.50
Advance from customers	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	45,864.00	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Advance from customers	Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家居科技有限公司)	32,753.32	128,242.40
Advance from customers	Zhengzhou Xingbo Real Estate Development Co., Ltd. (鄭州星鉑房地產開發有限公司)	31,500.00	220,500.00
Advance from customers	Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產 管理諮詢有限公司)	30,827.64	
Advance from customers	Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	25,282.41	
Advance from customers	Jiangyin Tishang Home Furnishing Co., Ltd. (江陰提尚家居有限公司)	2,402.50	6,621.01
Advance from customers	Hangzhou Nabel Group Co., Ltd. (杭州諾貝爾 集團有限公司) and its branches	115.04	115.00
Advance from customers	Changzhou Longyao Equity Investment Management Co., Ltd. (常州龍耀股權投資管 理有限公司)	0.06	2,940.91
Advance from customers	Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	0.05	108,585.45
Advance from customers	ZHANG Jianfang (張建芳)		17,187.52
Advance from customers	QIAN Zhongxiang (錢忠祥)		2,873.99
Advance from customers	Shanghai Qiaotong Enterprise Management Co., Ltd. (上海喬彤企業管理有限公司)		1,000,000.00
Other Payables	Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	480,000,000.00	
Other Payables	Chongqing Jinke Zhongjun Real Estate Development Co., Ltd. (重慶金科中俊房地產 開發有限公司)	89,550,275.23	163,804,744.96
Other Payables	Shenzhen Red Star Macalline Home Furnishing Plaza Company Limited (深圳紅星美凱龍家 居生活廣場有限公司)	36,572,355.47	47,803,820.31

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Other Payables	Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	15,278,517.80	19,379,218.91
Other Payables	Greenland Group Chengdu Jinniu Real Estate Development Co., Ltd. (綠地集團成都金牛房地產開發有限公司)	13,763,778.94	9,418,454.28
Other Payables	Shenyudao Cultural Tourism Holding Co., Ltd. (神玉島文化旅遊控股股份有限公司)	11,700,000.00	16,300,000.00
Other Payables	Chongqing Red Star Macalline Enterprise Development Co., Ltd. (重慶紅星美凱龍企業發展有限公司)	7,870,158.00	199,956.99
Other Payables	Shanghai Xincheng'an Construction Co., Ltd. (上海鑫誠安建設有限公司)	5,291,895.94	5,154,230.89
Other Payables	Shanghai Zhenyang Decoration Co., Ltd. (上海振洋建築裝潢工程有限公司)	4,839,751.35	5,381,599.51
Other Payables	Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	4,767,960.45	9,561,813.98
Other Payables	Shanghai Yunshan Electric Power Installation Engineering Co., Ltd. (上海雲山電力安裝工程有限公司)	3,000,000.00	
Other Payables	Shanghai Lvkang Construction Engineering Co., Ltd. (上海律康建築工程有限公司)	3,000,000.00	
Other Payables	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	2,474,684.44	1,718,112.79
Other Payables	Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	1,398,607.15	1,195,040.32
Other Payables	LEAWOD Door and Window Profiles Company (四川良木道門窗型材有限公司)	530,000.00	630,000.00
Other Payables	Klas International Home Living Company Limited (克拉斯國際家居有限公司)	472,952.65	472,952.65

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Other Payables	Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd. (超級智慧家(上海)物聯網科技有限公司)	443,300.00	1,129,893.88
Other Payables	Baoshan Red Star Urban and Rural Investment and Real Estate Co., Ltd. (保山紅星城鄉投資置業有限公司)	383,097.44	
Other Payables	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	232,823.44	49,893.00
Other Payables	Beijing Allgf Cultural and Scientific Consultation Co., Ltd. (北京國富縱橫文化科技諮詢股份有限公司)	201,818.00	31,384.00
Other Payables	Shaanxi Hongrui Home Furnishings Plaza Co., Ltd. (陝西鴻瑞家居生活廣場有限公司)	196,408.31	36.00
Other Payables	Wuhu Minghui Business Management Co., Ltd. (蕪湖明輝商業管理有限公司)	179,325.47	1.00
Other Payables	Changzhou Red Star Furniture General Factory Co., Ltd. (常州市紅星傢俱總廠有限公司)	164,183.44	164,183.44
Other Payables	Taiyuan Red Star Weiye Property Development and Management Co., Ltd. (太原紅星偉業房地產開發經營有限公司)	150,000.00	
Other Payables	Shanghai Tianhe Smart Home Technology Company Ltd. (上海天合智能科技股份有限公司) and its branches	148,536.00	177,752.86
Other Payables	Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	144,472.00	
Other Payables	Shengbao (Shanghai) Furniture Co., Ltd. (晟葆(上海)傢俱有限公司)	110,280.00	287,941.56
Other Payables	Jiangsu Baili Aijia Home Technology Co., Ltd. (江蘇佰麗愛家居科技有限公司)	94,600.00	94,600.00
Other Payables	Binzhou Inzone Green Home Co., Ltd. (濱州銀座家居有限公司)	86,400.00	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Other Payables	Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	80,000.00	
Other Payables	Dongying Chuangzhan Real Estate Co., Ltd. (東營創展置業有限公司)	69,600.00	
Other Payables	Shanghai Macalline Aijia Property Management Consulting Co., Ltd. (上海美凱龍愛家房地產 管理諮詢有限公司)	61,539.93	71,539.93
Other Payables	Hangzhou Nabel Group Co., Ltd. (杭州諾貝爾 集團有限公司) and its branches	58,934.47	58,934.47
Other Payables	Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	54,500.00	54,500.00
Other Payables	Suzhou Supin Home Culture Co., Ltd. (蘇州市 蘇品宅配文化有限公司)	51,015.32	51,015.32
Other Payables	Shanghai Weilaishi Decoration Technology Co., Ltd. (上海威來適裝飾科技有限公司)	50,000.00	89,605.28
Other Payables	Liuzhou Red Star Macalline Real Estate Co., Ltd. (柳州紅星美凱龍置業有限公司)	50,000.00	
Other Payables	QIAN Yumei (錢玉梅)	40,003.20	40,003.20
Other Payables	Shenzhen Huasheng Home Furnishing Group Co., Ltd. (深圳華生大家居集團有限公司)	40,000.00	40,000.00
Other Payables	Asia New Materials (Beijing) Building Materials Co., Ltd. (亞細亞新材(北京) 建築材料有限公司)	35,000.00	
Other Payables	Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博 家居廣場有限公司)	34,244.41	
Other Payables	Ningbo Qiangshang Home Living Company Limited (寧波牆尚家居有限公司)	30,000.00	30,000.00
Other Payables	Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福 睡眠科技有限公司)	30,000.00	30,000.00
Other Payables	Heze Inzone Green Home Co., Ltd. (荷澤銀座家居有限公司)	24,000.00	

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Other Payables	Hangzhou Feishi Bath & Kitchen Products Co., Ltd. (杭州菲氏浴廚用品有限公司)	20,000.00	20,000.00
Other Payables	Yangzhou Kailong Consulting Co., Ltd. (揚州凱龍管理諮詢有限公司)	20,000.00	15,263.42
Other Payables	Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) and its subsidiaries	13,238.78	
Other Payables	Guangdong Sanweijia Information Technology Co., Ltd. (廣東三維家信息科技有限公司)	10,000.00	10,000.00
Other Payables	Jiangyin Tishang Home Furnishing Co., Ltd. (江陰提尚家居有限公司)	10,000.00	10,000.00
Other Payables	Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	7,472.08	3,101.00
Other Payables	Changzhou Yizhi International Trade Co., Ltd. (常州市藝致國際貿易有限公司)	6,000.00	24,000.00
Other Payables	CAO Zhongmin (曹仲民)	6,000.00	6,000.00
Other Payables	Xuzhou Red Star Macalline International Home Furnishings City Co., Ltd. (徐州紅星美凱龍國際傢俱裝飾城有限公司)	5,392.89	1,228.44
Other Payables	Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	5,340.62	10,111.00
Other Payables	Changzhou Longyao Equity Investment Management Co., Ltd. (常州龍耀股權投資管理有限公司)	2,940.91	
Other Payables	Shanghai Yunshen Intelligent Technology Co., Ltd. (上海雲紳智能科技有限公司)		279,000.00
Other Payables	CHE Jianxing (車建興)		33,544.98
Other Payables	Baoxiang Red Star Macalline (Xiamen) Global Home Furnishing Plaza Company Limited (寶象紅星美凱龍(廈門)全球家居廣場有限公司)		20.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Other Payables	Handan Fengfengkuang District Royal Property Development Company Limited (邯鄲市峰峰礦區皇室房地產開發有限公司)	N/A	196,910.15
Contract liabilities	Chongqing Jinke Real Estate Development Co., Ltd. (重慶金科房地產開發有限公司)	240,566,037.74	229,729,729.73
Contract liabilities	Shanghai Xingzhiyu Commercial Management Co., Ltd. (上海星之域商業經營管理有限公司)	13,968,396.00	13,267,730.09
Contract liabilities	Hangzhou Nabel Ceramics Co., Ltd. (杭州諾貝爾陶瓷有限公司) and its branches	4,353,964.92	2,591,839.99
Contract liabilities	Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	3,569,178.08	1,952,054.79
Contract liabilities	Shanghai CTME Economy & Trade Development Co., Ltd. (上海中貿美凱龍經貿發展有限公司)	3,293,520.74	3,671,235.22
Contract liabilities	Shanghai Dijing Catering Management Co., Ltd. (上海帝景餐飲管理有限公司)	3,181,686.73	3,181,686.73
Contract liabilities	Shanghai Qiaotong Enterprise Management Co., Ltd. (上海喬彤企業管理有限公司)	3,069,002.97	3,069,002.97
Contract liabilities	Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	2,566,684.06	3,414,014.53
Contract liabilities	Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd. (徐州紅星美凱龍全球家居生活廣場有限公司)	2,428,059.02	2,290,621.69
Contract liabilities	Shenzhen Long Life Basics Sleep Science and Technology Co., Ltd. (深圳市朗樂福睡眠科技有限公司)	2,255,094.34	156,037.74
Contract liabilities	Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd. (揚州紅星美凱龍全球家居生活廣場置業有限公司)	1,500,000.00	
Contract liabilities	Wuhu Meihe Asset Management Company Limited (蕪湖美和資產管理有限公司)	1,179,245.31	2,669,989.27

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Contract liabilities	Kunming Hongxing Haihui Real Estate Co., Ltd. (昆明紅星海匯房地產有限公司)	922,061.32	922,061.32
Contract liabilities	LEAWOD Door and Window Profiles Company (四川良木道門窗型材有限公司)	707,547.17	
Contract liabilities	Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	701,555.85	3,269,563.22
Contract liabilities	Greenland Group Chengdu Jinniu Real Estate Development Co., Ltd. (綠地集團成都金牛房地產開發有限公司)	564,383.60	2,419,229.79
Contract liabilities	Shanghai Shimao Macalline Home Technology Co., Ltd. (上海世茂美凱龍家居科技有限公司)	191,116.81	132,642.62
Contract liabilities	Xishuangbanna cloud investment construction Pan Asia Real Estate Co., Ltd. (西雙版納雲投建設泛亞置業有限公司)	132,743.36	37,521.47
Contract liabilities	Tianjin Macalline Real Estate Co., Ltd. (天津美凱龍置業有限公司)	75,109.78	75,109.78
Contract liabilities	Shanghai Hongmei Real Estate Co., Ltd. (上海洪美置業有限公司)	72,668.39	72,668.39
Contract liabilities	Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司)	63,052.83	
Contract liabilities	Xiangshan Meilong Real Estate Co., Ltd. (象山美龍置業有限公司)	49,355.74	796,738.85
Contract liabilities	Xiangshan Kaisheng Real Estate Co., Ltd. (象山凱勝置業有限公司)	28,257.64	
Contract liabilities	Suzhou Supin Home Culture Co., Ltd. (蘇州市蘇品宅配文化有限公司)	17,075.47	11,792.45
Contract liabilities	Shenzhen Red Star Macalline Expo Home Plaza Co., Ltd. (深圳紅星美凱龍世博家居廣場有限公司)	9,112.84	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts Due from/to Related Parties (continued)

(2) Payables (continued)

Items	Related parties	Closing book balance	Opening book balance
Contract liabilities	Anhui Tenghui Investment Group Hefei Company Limited (安徽騰輝投資集團合肥有限公司)		3,229,923.19
Contract liabilities	Anka Household Products (Shanghai) Co., Ltd. (安咖家居用品(上海)有限公司)		587,155.96
Contract liabilities	Liuzhou Red Star Macalline Real Estate Co., Ltd. (柳州紅星美凱龍置業有限公司)		290,552.29
Contract liabilities	Kunming Guangyuan Real Estate Development Co., Ltd. (昆明廣遠房地產開發有限公司)		13,165.14
Contract liabilities	Handan Fengfengkuang District Royal Property Development Company Limited (邯鄲市峰峰礦區皇室房地產開發有限公司)	N/A	462,651.85
Contract liabilities	Dream Maker Home (Shenzhen) Co., Ltd. (造夢者家居(深圳)有限公司)	N/A	30,417.92
Non-current liabilities due within one year	Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	4,062,465.26	
Long-term payables	Wuhu Red Star Macalline Equity Investment Fund Management Company Limited (蕪湖紅星美凱龍股權投資基金管理有限公司)	9,800,000.00	9,800,000.00
Lease liabilities	Shanghai Huojing Business Management Company Limited (上海或京商業管理有限公司) and its branches	6,654,877.03	

XI.COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

Significant external commitments, nature, and amount as at the balance sheet date

	2021	2020
Capital commitments	2,193,221,757.00	2,373,804,000.00
Investment commitments	314,073,445.00	606,347,000.00
	2,507,295,202.00	2,980,151,000.00

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Explanations for Other Events after the Balance Sheet Date

In accordance with the letters of undertakings issued by Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the “Company” or the “transferor”) and the Company’s controlling shareholder Red Star Macalline Holding Group Company Limited (hereinafter referred to as “RSM Holding” or the “transferee”) as to the quasi-financial business in February 2021, the Company will, prior to 7 July 2021, complete the cancellation of Shanghai Red Star Macalline Financial Leasing Company Limited (hereinafter referred to as “Red Star Financial Leasing”) and Shanghai Red Star Macalline Commercial Factoring Company Limited (hereinafter referred to as “Red Star Commercial Factoring”) or transfer all of its equity interests to RSM Holding or other third parties; RSM Holding undertakes to support the arrangement of the Company for the disposal of the quasi-financial business.

On 14 May 2021, the Company entered into an equity transfer agreement with RSM Holding, Red Star Financial Leasing and Red Star Commercial Factoring respectively, and disposed of 100% of the equity of the company Red Star Financial Leasing and Red Star Commercial Factoring to RSM Holding.

On 7 July 2021, the Company and RSM Holding completed the handover procedures in relation to Red Star Financial Leasing and Red Star Commercial Factoring respectively, and signed the relevant handover list to complete the disposal.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIII. OTHER SIGNIFICANT EVENTS

1. Segment Information

(1) Basis for determination and accounting policies of reporting segments

For management purposes, the Group is organized into business units based on their products and services and has 5 reporting segments as follows:

- (1) Owned/Leased Portfolio Shopping Malls
- (2) Managed Shopping Malls
- (3) Construction and design
- (4) Home decoration related and sales of merchandise
- (5) Others

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance are evaluated based on the segment profits reported. It represents the indicator after adjustments have been made to total profit of continuing operation, and other than the exclusion of interest income, financial expenses, dividend income, gains from changes in fair value of financial instruments, impairment losses of credit, impairment loss of assets, other income, investment income, gain from disposal of assets, and headquarters expenses, the indicator is consistent with the Group's total profit of continuing operation.

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIII. OTHER SIGNIFICANT EVENTS (continued)

1. Segment Information (continued)

(2) Financial information of reporting segments

Unit: Yuan Currency: RMB

Items	Owned/Leased	Managed	Construction	Home decoration	Others	Unallocated item	Inter segment elimination	Total
	Portfolio Shopping Malls	Shopping Malls	and design	related and sales of merchandise				
External revenue	3,917,677,242.14	1,676,074,613.59	763,101,229.34	573,725,462.84	572,017,990.67			7,502,596,538.58
Inter-segment revenue								
Total segment operating revenue	3,917,677,242.14	1,676,074,613.59	763,101,229.34	573,725,462.84	572,017,990.67			7,502,596,538.58
Less: Cost of sales	942,152,412.10	707,144,855.62	481,858,128.27	487,926,747.34	112,544,002.21			2,731,626,145.54
Taxes and surcharges	170,491,176.06	9,691,956.71	3,208,401.88	2,716,707.13	22,589,110.03			208,697,351.81
Distribution and selling expenses	416,702,895.58	249,352,353.73	1,234,124.10	139,987,913.68	21,430,197.93			828,707,485.02
General and administrative expenses	334,348,990.79	199,634,540.44	94,075,177.97	91,115,233.48	162,867,510.11			882,041,452.79
Research and development expenses						26,936,173.97		26,936,173.97
Financial expenses						1,219,458,001.61		1,219,458,001.61
Impairment losses of credit						(151,764,612.97)		(151,764,612.97)
Add: Other income						52,812,889.76		52,812,889.76
Investment income						778,700,121.60		778,700,121.60
Gain from fair value changes						227,017,919.24		227,017,919.24
Gain from disposal of assets						15,671,926.81		15,671,926.81
Impairment loss of assets						(7,662,383.27)		(7,662,383.27)
Operating profit/(loss)	2,053,981,767.61	510,250,907.09	182,725,397.12	(148,021,138.79)	252,587,170.39	(331,618,314.41)		2,519,905,789.01
Add: Non-operating income						18,356,160.52		18,356,160.52
Less: Non-operating expenses						19,318,046.10		19,318,046.10
Total profit/(loss)	2,053,981,767.61	510,250,907.09	182,725,397.12	(148,021,138.79)	252,587,170.39	(332,580,199.99)		2,518,943,903.43
Less: Income tax expenses						651,797,055.21		651,797,055.21
Net profit/(loss)	2,053,981,767.61	510,250,907.09	182,725,397.12	(148,021,138.79)	252,587,170.39	(984,377,255.20)		1,867,146,848.22

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY

1. Accounts Receivable

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-item within 1 year	
Sub-total within 1 year	178,285,343.84
1 to 2 years	134,739,984.26
2 to 3 years	132,612,600.98
Over 3 years	648,856,395.00
3 to 4 years	
4 to 5 years	
Over 5 years	
Less: Allowance for bad debts for accounts receivable	(788,147,223.42)
Total	306,347,100.66

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt allowance		Book value	Book balance		Bad debt allowance		Book value
	Amount	Percentage (%)	Amount	Proportion (%)		Amount	Percentage (%)	Amount	Proportion (%)	
Receivables for which bad debt allowance is provided individually	618,182,418.62	56.48	603,567,218.62	97.64	14,615,200.00	636,247,285.70	59.43	564,772,285.69	88.77	71,475,000.01
Including:										
Receivables for which bad debt allowance is provided collectively	476,311,905.46	43.52	184,580,004.80	38.75	291,731,900.66	434,350,929.88	40.57	146,128,837.94	33.64	288,222,091.94
Including:										
Total	1,094,494,324.08	/	788,147,223.42	/	306,347,100.66	1,070,598,215.58	/	710,901,123.63	/	359,697,091.95

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category (continued)

Receivables for which bad debt allowance is provided individually:

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reason for provision
		Bad debt allowance	Proportion (%)	
Changzhou Wujin Construction Engineering Co., Ltd. (常州市武進建設工程有限公司)	55,000,000.00	55,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Jiangsu Provincial Construction Group Co., Ltd. (江蘇省建築工程集團有限公司)	26,000,000.00	23,000,000.00	88.46	Accounts receivable are expected to be unrecoverable
Xuanwei Xintiandi Real Estate Development Co., Ltd. (宣威市新天地房地產開發有限公司)	20,000,000.00	20,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Guizhou Linhengtai Property Development Company Limited (貴州林恒泰房地產開發有限公司)	18,000,000.00	18,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Fujian vogu Investment Development Co., Ltd. (福建沃谷投資發展有限公司)	17,000,000.00	17,000,000.00	100.00	Accounts receivable are expected to be unrecoverable
Others	482,182,418.62	470,567,218.62	97.59	Accounts receivable are expected to be unrecoverable
Total	618,182,418.62	603,567,218.62	97.64	/

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category (continued)

Explanation of receivables for which bad debt allowance is provided individually:

See “Financial Reports III.10. Financial Instruments” for details.

Receivables for which bad debt allowance is provided collectively:

Receivables for which bad debt allowance is provided collectively: Brand consulting and management services for the early stage of project

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	28,800,000.00	3,404,362.41	11.82
1 to 2 years	21,055,555.56	3,888,961.11	18.47
2 to 3 years	26,550,000.00	6,306,687.00	23.75
3 to 4 years	73,300,000.00	22,290,530.00	30.41
4 to 5 years	36,390,000.00	14,299,086.60	39.29
5 to 6 years	21,000,000.00	12,686,940.00	60.41
Over 6 years	37,750,000.00	37,750,000.00	100.00
Total	244,845,555.56	100,626,567.12	41.10

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category (continued)

Recognition criteria and explanation of receivables for which bad debt allowance is provided collectively:

See “Financial Reports III.10. Financial Instruments” for details.

Receivables for which bad debt allowance is provided collectively: Other consulting services

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	100,157,857.10	17,818,082.79	17.79
1 to 2 years	61,140,105.13	19,473,123.48	31.85
2 to 3 years	24,160,866.41	12,930,895.70	53.52
Over 3 years	33,152,876.71	33,152,876.71	100.00
Total	218,611,705.35	83,374,978.68	38.14

Recognition criteria and explanation of receivables for which bad debt allowance is provided collectively:

See “Financial Reports III.10. Financial Instruments” for details.

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category (continued)

Receivables for which bad debt allowance is provided collectively: Rental and related revenue

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	3,493,001.16	157,185.05	4.50
Over 1 year	669,631.81	30,133.43	4.50
Total	4,162,632.97	187,318.48	4.50

Recognition criteria and explanation of receivables for which bad debt allowance is provided collectively:

See "Financial Reports III.10. Financial Instruments" for details.

Receivables for which bad debt allowance is provided collectively: Others

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	
		Bad debt allowance	Proportion (%)
Within 1 year	6,692,011.63	301,140.52	4.50
Over 1 year	1,999,999.95	90,000.00	4.50
Total	8,692,011.58	391,140.52	4.50

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(2) Disclosure under the methods of provision for bad debts by category (continued)

Recognition criteria and explanation of receivables for which bad debt allowance is provided collectively:

See “Financial Reports III.10. Financial Instruments” for details.

(3) Conditions on bad debt allowance

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Changes in the current period			Closing balance
			Recovery or reversal	Resale or write-off	Other changes	
	710,901,123.63	127,494,960.56	50,248,860.77	-	-	788,147,223.42
Total	710,901,123.63	127,494,960.56	50,248,860.77	-	-	788,147,223.42

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounts Receivable (continued)

(4) The top five closing balance of accounts receivable collected by debtors

	Closing balance	Proportion to total balance of accounts receivable (%)	Bad debt allowance closing balance
Changzhou Wujin Construction Engineering Co., Ltd. (常州市武進建設工程有限公司)	55,000,000.00	5.03%	55,000,000.00
Jiangsu Provincial Construction Group Co., Ltd. (江蘇省建築工程集團有限公司)	26,000,000.00	2.38%	23,000,000.00
Xuanwei Xintiandi Real Estate Development Co., Ltd. (宣威市新天地房地產開發有限公司)	20,000,000.00	1.83%	20,000,000.00
Guizhou Linhengtai Property Development Company Limited (貴州林恒泰房地產開發有限公司)	18,000,000.00	1.64%	18,000,000.00
Fujian vogu Investment Development Co., Ltd. (福建沃谷投資發展有限公司)	17,000,000.00	1.55%	17,000,000.00

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other Receivables

Item presented

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivables	9,036,367.63	9,069,537.32
Dividend receivables	1,667,821,972.63	2,958,106,450.36
Other receivables	27,822,353,353.76	29,492,800,730.56
Total	29,499,211,694.02	32,459,976,718.24

Interest receivables

(1) Classification of interest receivables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Loan interest	9,036,367.63	9,069,537.32
Total	9,036,367.63	9,069,537.32

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other Receivables (continued)

Dividend receivables

(2) Dividend receivables

Unit: Yuan Currency: RMB

Items (or investee)	Closing balance	Opening balance
Shanghai Xingkai Chengpeng Business Management Company Limited (上海星凱程鵬企業管理有限公司)	80,000,000.00	1,188,856,949.26
Red Star Macalline Home Furnishing Mall Management Company Limited (紅星美凱龍家居商場管理有限公司)	1,137,000,000.00	1,137,000,000.00
Shanghai Red Star Macalline Global Home Furnishing Company Limited (上海紅星美凱龍全球家居有限公司)	352,000,000.00	352,000,000.00
Red Star Macalline Enterprise Management and Consultancy Company Limited (紅星美凱龍企業管理諮詢有限公司)		150,000,000.00
Nanjing Mingdu Home Furnishing Plaza Company Limited (南京名都家居廣場有限公司)	62,400,000.00	62,400,000.00
Yunnan Red Star Macalline Home Furnishing Plaza Company Limited (雲南紅星美凱龍家居生活廣場有限公司)	5,421,972.63	
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	31,000,000.00	31,000,000.00
Shanghai Red Star Macalline Business Consulting Company Limited (上海紅星美凱龍商務諮詢有限公司)		19,849,501.10
Jinan Red Star Macalline Shibo Home Living Plaza Company Limited (濟南紅星美凱龍世博家居生活廣場有限公司)		8,000,000.00
Shanghai Jisheng Wellborn Global Home Furnishing Brand Management Company Limited (上海吉盛偉邦環球家居品牌管理有限公司)		6,000,000.00
Changsha Red Star Macalline International Home Furnishing Art Expo Company Limited (長沙紅星美凱龍國際家居藝術博覽中心有限公司)		3,000,000.00
Total	1,667,821,972.63	2,958,106,450.36

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other Receivables (continued)

Other receivables

(3) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	23,275,808,270.98
1 to 2 years	992,852,075.29
2 to 3 years	164,165,234.65
Over 3 years	4,082,510,143.64
Less: Bad debt allowance for other receivables	(692,982,370.80)
Total	27,822,353,353.76

(4) Classification by nature of payment

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening book balance
Loan and advances		
– to related parties	26,566,392,183.04	28,854,749,147.69
– to third parties	1,244,759,330.93	637,100,532.94
Deposits	1,734,910.31	553,364.04
Others	9,466,929.48	397,685.89
Total	27,822,353,353.76	29,492,800,730.56

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other Receivables (continued)

Other receivables (continued)

(5) Provision for bad debt allowance

Unit: Yuan Currency: RMB

Bad debt allowance	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Lifetime expected credit losses (Not credit impaired)	Lifetime expected credit losses (Credit impaired)	
Balance on 1 January 2021	36,954,347.13	–	644,661,136.51	681,615,483.64
Provision during the period	11,420,288.82	–	–	11,420,288.82
Reversal during the period	–	–	53,401.66	53,401.66
Balance on 30 June 2021	48,374,635.95	–	644,607,734.85	692,982,370.80

(6) Conditions on bad debt allowance

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Resale or write-off	Other changes	
Other receivables	681,615,483.64	11,420,288.82	53,401.66	–	–	692,982,370.80
Total	681,615,483.64	11,420,288.82	53,401.66	–	–	692,982,370.80

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other Receivables (continued)

Other receivables (continued)

(7) The top five closing balance of other receivables collected by debtors

Unit: Yuan Currency: RMB

Name of entity	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Bad debt allowance closing balance
Shanghai Red Star Macalline Home Furnishing Design Expo Company Limited (上海紅星美凱龍家居藝術設計博覽有限公司)	Amounts due to and from subsidiaries	2,431,206,286.91	Within 4 years	8.48%	114,895,284.17
Hangzhou Red Star Macalline Global Home Living Company Limited (杭州紅星美凱龍環球家居有限公司)	Amounts due to and from subsidiaries	1,109,279,085.27	Within 2 years	3.87%	-
Tianjin Red Star Macalline World Trade Home Furnishing Company Limited (天津紅星美凱龍世貿家居有限公司)	Amounts due to and from subsidiaries	1,090,707,176.17	Within 4 years	3.80%	-
Beijing Yuanhong Enterprise Management Consultancy Co., Ltd. (北京遠紅企業管理諮詢有限公司)	Equity transfer receivables	952,916,247.54	Within 1 year	3.32%	-
Red Star Macalline Shibo (Tianjin) Home Furnishing Plaza Company Limited (紅星美凱龍世博(天津)家居生活廣場有限公司)	Amounts due to and from subsidiaries	916,739,424.20	Within 4 years	3.20%	80,000,000.00
Total	/	6,500,848,220.09	/	22.67%	194,895,284.17

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment allowance	Book value	Book balance	Impairment allowance	Book value
Investments in subsidiaries	18,968,306,530.87	-	18,968,306,530.87	18,757,923,541.87	-	18,757,923,541.87
Investments in associates and joint ventures	1,801,871,786.98	-	1,801,871,786.98	1,782,960,123.53	-	1,782,960,123.53
Total	20,770,178,317.85	-	20,770,178,317.85	20,540,883,665.40	-	20,540,883,665.40

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Changzhou World Furniture and Home Plaza Co., Ltd. (常州世界傢俱家居廣場有限公司)	15,447,913.31	-	-	15,447,913.31	-	-
Wuxi Red Star Macalline International Home Furnishing Company Limited (無錫紅星美凱龍國際傢俱裝飾有限公司)	47,998,405.33	-	-	47,998,405.33	-	-
Lianyungang Red Star Macalline International Home Furnishing Plaza Company Limited (連雲港紅星美凱龍國際家居廣場有限公司)	3,465,415.12	-	-	3,465,415.12	-	-
Nanjing Red Star International Home Furnishing Mall Company Limited (南京紅星國際傢俱裝飾城有限公司)	59,689,261.20	-	-	59,689,261.20	-	-
Nanjing Mingdu Home Furnishing Plaza Company Limited (南京名都家居廣場有限公司)	47,227,734.43	-	-	47,227,734.43	-	-
Shanghai Red Star Macalline Decorative Furniture Mall Co., Ltd. (上海紅星美凱龍裝飾傢俱城有限公司)	296,115,702.30	-	-	296,115,702.30	-	-
Shanghai Red Star Macalline Global Home Furnishing Company Limited (上海紅星美凱龍全球家居有限公司)	138,455,620.20	-	-	138,455,620.20	-	-
Shanghai Hongxin Oukai Home Living Company Limited (上海虹欣歐凱家居有限公司)	92,508,623.92	-	-	92,508,623.92	-	-
Shanghai Xinwei Home Purchasing Company Limited (上海新偉置業有限公司)	272,756,078.13	-	-	272,756,078.13	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Changsha Red Star Macalline Home Furnishing Plaza Company Limited (長沙紅星美凱龍家居生活廣場有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Changsha Red Star Macalline International Home Living Art Expo Company Limited (長沙紅星美凱龍國際家居藝術博覽中心有限公司)	871,353.75	-	-	871,353.75	-	-
Jinan Red Star Macalline Shibo Home Living Plaza Company Limited (濟南紅星美凱龍世博家居生活廣場有限公司)	71,243,669.12	-	-	71,243,669.12	-	-
Chengdu Red Star Macalline Shibo Home Living Plaza Company Limited (成都紅星美凱龍世博家居生活廣場有限責任公司)	30,275,655.03	-	-	30,275,655.03	-	-
Zhengzhou Red Star Macalline International Home Furnishing Company Limited (鄭州紅星美凱龍國際家居有限公司)	15,300,000.00	-	-	15,300,000.00	-	-
Shanghai Red Star Macalline Home Furnishing and Decorating Market Management Company Limited (上海紅星美凱龍傢俱裝飾市場經營管理有限公司)	1,349,876.56	-	-	1,349,876.56	-	-
Zhengzhou Red Star Macalline Global Home Living Plaza Management Company Limited (鄭州紅星美凱龍全球家居生活廣場經營管理有限公司)	510,000.00	-	-	510,000.00	-	-
Hangzhou Red Star Macalline Shibo Furniture Plaza Company Limited (杭州紅星美凱龍世博家居有限公司)	20,000,000.00	-	-	20,000,000.00	-	-
Shanghai Red Star Macalline Brand Management Company Limited (上海紅星美凱龍品牌管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Chongqing Red Star Macalline Global Home Furnishing Plaza Company Limited (重慶紅星美凱龍環球家居生活廣場有限責任公司)	10,000,000.00	-	-	10,000,000.00	-	-
Chongqing Red Star Macalline Shibo Home Living Plaza Company Limited (重慶紅星美凱龍世博家居生活廣場有限責任公司)	23,496,190.89	-	-	23,496,190.89	-	-
Wuhan Red Star Macalline Shibo Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍世博家居廣場發展有限公司)	552,878,664.00	-	-	552,878,664.00	-	-
Shanghai Red Star Macalline Home Furnishing Design Expo Company Limited (上海紅星美凱龍家居藝術設計博覽有限公司)	445,000,000.00	-	-	445,000,000.00	-	-
Yantai Red Star Macalline Home Furnishing Company Limited (煙台紅星美凱龍家居有限公司)	192,120,000.00	-	-	192,120,000.00	-	-
Shenyang Mingdu Home Furnishing Plaza Company Limited (瀋陽名都家居廣場有限公司)	153,000,000.00	-	-	153,000,000.00	-	-
Chongqing Red Star Macalline Expo Home Furnishing Plaza Company Limited (重慶紅星美凱龍博覽家居生活廣場有限責任公司)	280,000,000.00	-	-	280,000,000.00	-	-
Changsha Yinhong Home Furnishing Company Limited (長沙市銀紅家居有限公司)	249,990,049.97	-	-	249,990,049.97	-	-
Shanghai Jingdu Investment Company Limited (上海晶都投資有限公司)	5,100,000.00	-	-	5,100,000.00	-	-
Tianjin Red Star Macalline Home Furnishings Plaza Company Limited (天津紅星美凱龍家居傢飾生活廣場有限公司)	424,878,664.00	-	-	424,878,664.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Panjin Red Star Macalline Global Home Living Plaza Company Limited (盤錦紅星美凱龍全球家居生活廣場有限公司)	214,087,000.00	-	-	214,087,000.00	-	-
Shanghai Red Star Macalline Business Consulting Company Limited (上海紅星美凱龍商務諮詢有限公司)	650,000.00	-	-	650,000.00	-	-
Shenyang Red Star Macalline Home Furnishing Company Limited (瀋陽紅星美凱龍家居有限公司)	28,058,441.28	-	-	28,058,441.28	-	-
Shanghai Xingkai Chengpeng Business Management Company Limited (上海星凱程鵬企業管理有限公司)	10,000,000.00	-	-	10,000,000.00	-	-
Changzhou Hongyang Home Furnishing Plaza Company Limited (常州紅陽家居生活廣場有限公司)	139,400,000.00	-	-	139,400,000.00	-	-
Shanghai Red Star Macalline Trading Company Limited (上海紅星美凱龍商貿有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Harbin Red Star Macalline Shibo Furniture Plaza Company Limited (哈爾濱紅星美凱龍世博家居廣場有限公司)	310,000,000.00	-	-	310,000,000.00	-	-
Chongqing Red Star Macalline Zhongkun Home Living Plaza Company Limited (重慶紅星美凱龍中坤家居生活廣場有限責任公司)	55,000,000.00	-	-	55,000,000.00	-	-
Zhongshan Red Star Macalline Shibo Furniture Plaza Company Limited (中山紅星美凱龍世博家居廣場有限公司)	149,939,332.00	-	-	149,939,332.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Shenyang Dadong Red Star Macalline Home Furnishing Company Limited (瀋陽大東紅星美凱龍傢俱建材市場有限公司)	3,000,000.00	-	-	3,000,000.00	-	-
Wuxi Red Star Macalline Home Furnishing Plaza Company Limited (無錫紅星美凱龍家居生活廣場有限公司)	534,818,797.96	-	-	534,818,797.96	-	-
Xi'an Red Star Macalline Home Furnishing Plaza Company Limited (西安紅星美凱龍家居生活廣場有限公司)	30,000,000.00	-	-	30,000,000.00	-	-
Daqing Red Star Macalline Shibo Furniture Company Limited (大慶紅星美凱龍世博家居有限公司)	70,000,000.00	-	-	70,000,000.00	-	-
Langfang Kaihong Home Living Plaza Company Limited (廊坊市凱宏家居廣場有限公司)	70,000,000.00	-	-	70,000,000.00	-	-
Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍環球家居廣場發展有限公司)	149,939,332.00	-	-	149,939,332.00	-	-
Beijing Century Kailong Business Investment Company Limited (北京世紀凱隆商業投資有限公司)	10,000,000.00	-	-	10,000,000.00	-	-
Tianjin Red Star Macalline Home Fashion Plaza Company Limited (天津紅星美凱龍時尚家居廣場有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Shanghai Red Star Ogloria Home Living Market Management Company Limited (上海紅星歐麗洛雅家居市場經營管理有限公司)	500,000.00	-	-	500,000.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Hefei Red Star Macalline Shibo Furniture Plaza Company Limited (合肥紅星美凱龍世博家居廣場有限公司)	349,848,330.00	-	-	349,848,330.00	-	-
Nanjing Red Star Macalline International Home Living Company Limited (南京紅星美凱龍國際家居有限責任公司)	764,016,993.00	-	-	764,016,993.00	-	-
Shanghai Xingyi Tonghui Business Service Company Limited (上海星易通匯商務服務有限公司)	150,000,000.00	-	-	150,000,000.00	-	-
Tianjin Red Star Macalline International Home Furnishing Expo Company Limited (天津紅星美凱龍國際家居博覽有限公司)	204,285,714.29	-	-	204,285,714.29	-	-
Tianjin Red Star Macalline World Trade Home Furnishing Company Limited (天津紅星美凱龍世貿家居有限公司)	200,000,000.00	-	-	200,000,000.00	-	-
Harbin Red Star Macalline International Home Furnishing Company Limited (哈爾濱紅星美凱龍國際家居有限公司)	349,817,995.00	-	-	349,817,995.00	-	-
Changchun Red Star Macalline Shibo Home Living Plaza Company Limited (長春紅星美凱龍世博家居生活廣場有限公司)	397,600,000.00	-	-	397,600,000.00	-	-
Red Star Xizhao Investment Company Limited (紅星喜兆投資有限公司)	90,000,000.00	-	-	90,000,000.00	-	-
Red Star Macalline Home Furnishing Mall Management Company Limited (紅星美凱龍家居商場管理有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Yangzhou Red Star Macalline International Home Furnishing Plaza Company Limited (揚州紅星美凱龍國際家居廣場有限公司)	3,000,000.00	-	-	3,000,000.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Shanghai Red Star Macalline Longmei Home Furnishing Market Management Company Limited (上海紅星美凱龍美家居市場經營管理有限公司)	1,000,000.00	-	-	1,000,000.00	-	-
Shenyang Red Star Macalline Shibo Home Furnishing Company Limited (瀋陽紅星美凱龍世博家居有限公司)	81,443,441.90	-	-	81,443,441.90	-	-
Shanghai Red Star Macalline Bulk Purchasing of Construction and Furnishing Materials Trading Company (上海紅星美凱龍住建集採商貿有限公司)	10,000,000.00	-	-	10,000,000.00	-	-
Shenyang Red Star Macalline Home Living Expo Company Limited (瀋陽紅星美凱龍博覽家居有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Lanzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘭州紅星美凱龍世博家居廣場有限公司)	30,000,000.00	-	-	30,000,000.00	-	-
Shanghai Jisheng Wellborn Global Home Living Brand Management Company Limited (上海吉盛偉邦環球家居品牌管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Yunnan Red Star Macalline Home Furnishing Plaza Company Limited (雲南紅星美凱龍家居生活廣場有限公司)	69,976,000.00	-	-	69,976,000.00	-	-
Urumchi Red Star Macalline Shibo Furniture Plaza Company Limited (烏魯木齊紅星美凱龍家居世博廣場有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Dongguan Red Star Macalline Shibo Furniture Plaza Company Limited (東莞紅星美凱龍世博家居廣場有限公司)	70,000,000.00	-	-	70,000,000.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Hohhot Red Star Macalline Shibo Home Furnishing Plaza Company Limited (呼和浩特市紅星美凱龍世博家居廣場有限責任公司)	123,280,264.00	200,000,000.00	-	323,280,264.00	-	-
Kunming Diken Trading Company Limited (昆明迪肯商貿有限公司)	177,690,900.00	-	-	177,690,900.00	-	-
Suzhou Industry Park Red Star Macalline Home Furnishing Company Limited (蘇州工業園區紅星美凱龍家居有限公司)	160,934,831.55	-	-	160,934,831.55	-	-
Shanghai Xinghe Zhaipei Home Furnishing Service Company Limited (上海星和宅配家居服務有限公司)	38,000,000.00	-	-	38,000,000.00	-	-
Red Star Macalline Group (Shanghai) Logistics Company Limited (紅星美凱龍家居集團(上海)物流有限公司)	106,560,000.00	7,800,000.00	-	114,360,000.00	-	-
Shanghai Red Star Macalline Industrial Company Limited (上海紅星美凱龍實業有限公司)	206,841,181.40	-	-	206,841,181.40	-	-
Shanghai Red Star Macalline Xinglong Home Furnish Company Limited (上海紅星美凱龍星龍家居有限公司)	39,000,000.00	-	-	39,000,000.00	-	-
Chengdu Red Star Macalline Tianfu Expo Home Furnishing Plaza Company Limited (成都紅星美凱龍天府世博家居廣場有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Chengdu Tianfu New District Red Star Macalline World Trade Home Furnishing Company Limited (成都天府新區紅星美凱龍世貿家居有限公司)	210,000,000.00	-	-	210,000,000.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Hong Kong Red Star Macalline Global Home Furnishing Company Limited (香港紅星美凱龍全球家居有限公司)	112,839,554.51	-	-	112,839,554.51	-	-
Red Star Macalline (Shanghai) Business Management Company Limited (紅星美凱龍(上海)企業管理有限公司)	100,000,000.00	-	100,000,000.00	-	-	-
Changsha Red Star Macalline Jinxia Home Living Plaza Company Limited (長沙紅星美凱龍金霞家居生活廣場有限公司)	120,000,000.00	-	-	120,000,000.00	-	-
Shanghai Jijinsuo Investment Holding Company Limited (上海家金所投資控股有限公司)	140,000,001.00	-	-	140,000,001.00	-	-
Dalian Red Star Macalline Shibo Home Furnishing Plaza Company Limited (大連紅星美凱龍世博家居廣場有限公司)	24,800,000.00	-	-	24,800,000.00	-	-
Red Star Zhongying Investment Company Limited (紅星眾盈投資有限公司)	50,000,000.00	-	-	50,000,000.00	-	-
Shanghai Macalline Xinghe Asset Management Company Limited (上海美凱龍星荷資產管理有限公司)	10,000,000.00	-	-	10,000,000.00	-	-
Shanghai Yumu Enterprise Management Company Limited (上海宇慕企業管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Shanghai Yuxu Enterprise Management Company Limited (上海宇煦企業管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Shanghai Yuzhu Enterprise Management Company Limited (上海宇築企業管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Shanghai Yuxiao Enterprise Management Company Limited (上海宇霄企業管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Red Star Macalline Glory Casa (Shanghai) Home Furnishing Company Limited (紅星美凱龍凱撒至尊(上海)家居有限公司)	200,000,000.00	-	-	200,000,000.00	-	-
Shanghai Interface Marketing Planning Co., Ltd. (上海英太翡思營銷策劃有限公司)	2,000,000.00	-	-	2,000,000.00	-	-
Xining Red Star Macalline Shibohome Furnishing Plaza Company Limited (西寧紅星美凱龍世博家居廣場有限公司)	247,162,700.00	-	-	247,162,700.00	-	-
Red Star Macalline Home Furnishing Group Finance Company Limited (紅星美凱龍家居集團財務有限公司)	570,000,000.00	-	-	570,000,000.00	-	-
Nanchang Red Star Macalline Global Home Furnishing Plaza Company Limited (南昌紅星美凱龍全球家居廣場有限公司)	15,300,000.00	-	-	15,300,000.00	-	-
Nanchang Red Star Macalline Global Home Expo Center Company Limited (南昌紅星美凱龍環球家居博覽中心有限公司)	273,146,074.32	-	-	273,146,074.32	-	-
Chongqing Red Star Macalline International Home Furnishing Plaza Company Limited (重慶紅星美凱龍國際家居生活廣場有限公司)	121,000,000.00	-	-	121,000,000.00	-	-
Shanghai Red Star Macalline Financial Leasing Company Limited (上海紅星美凱龍融資租賃有限公司)	1,000,751,635.68	-	-	1,000,751,635.68	-	-
Shanghai Jinshan Red Star Macalline Global Home Furnishing Company Limited (上海金山紅星美凱龍全球家居有限公司)	25,000,000.00	-	-	25,000,000.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Hainan Hongju Enterprise Management Co., Ltd. (海南紅居企業管理有限公司)	7,000,000.00	-	-	7,000,000.00	-	-
Chengdu Red Star Macalline Xinnan Business Management Company Limited (成都紅星美凱龍新南商業管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Shanghai Red Star Ogloria Brand Management Company Limited (上海紅星歐麗洛雅品牌管理有限公司)	5,000,000.00	-	-	5,000,000.00	-	-
Khorgos Red Star Yiming Venture Capital Company Limited (霍爾果斯紅星易鳴創業投資有限公司)	9,000,000.00	-	-	9,000,000.00	-	-
Kunshan Red Star Macalline Decoration Materials Company Limited (昆山紅星美凱龍裝飾材料有限公司)	50,487,866.71	-	-	50,487,866.71	-	-
Shanghai Red Star Macalline Commercial Factoring Company Limited (上海紅星美凱龍商業保理有限公司)	206,060,071.54	-	-	206,060,071.54	-	-
Tianjin Jinrui Corporate Management Company Limited (天津津瑞企業管理有限公司)	1,220,000,000.00	-	-	1,220,000,000.00	-	-
Ningbo Red Star Macalline Home Shopping Plaza Company Limited (寧波紅星美凱龍家居購物廣場有限公司)	1.00	-	-	1.00	-	-
Shanghai Huaixing Culture Development Co., Ltd. (上海懷星文化發展有限公司)	1,600,000.00	-	-	1,600,000.00	-	-
Shanghai Red Star Macalline Design Cloud Information Technology Company Limited (上海紅星美凱龍設計雲信息科技有限公司)	50,000,000.00	-	-	50,000,000.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Tibet Red Star Macalline Business Management Company Limited (西藏紅星美凱龍企業管理有限公司)	300,000,000.00	-	300,000,000.00	-	-	-
Taiyuan Red Star Macalline Global Home Furnishing Plaza Company Limited (太原紅星美凱龍全球家居廣場有限公司)	5,100,000.00	-	-	5,100,000.00	-	-
Changzhou Meilong Trading Company Limited (常州美龍貿易有限公司)	30,000.00	-	-	30,000.00	-	-
Zhengzhou Red Star Macalline Shibo Home Furnishing Company Limited (鄭州紅星美凱龍世博家居有限公司)	5,500,000.00	-	-	5,500,000.00	-	-
Nantong Hongmei Shibo Home Furnishing Plaza Company Limited (南通紅星美凱龍世博家居廣場有限公司)	150,000,000.00	77,000,000.00	-	227,000,000.00	-	-
Nanning Red Star Macalline Shibo Home Furnishing Exhibition Centre Company Limited (南寧紅星美凱龍世博家居展覽中心有限公司)	305,000,000.00	-	-	305,000,000.00	-	-
Red Star Macalline (Zhejiang) Information Service Company Limited (紅星美凱龍(浙江)信息技術有限公司)	11,100,000.00	-	-	11,100,000.00	-	-
Qianzhi (Shanghai) Home Furnishing Co., Ltd. (乾智(上海)家居有限公司)	3,000,000.00	-	-	3,000,000.00	-	-
Shanghai Yingtai Lijin Technology Co., Ltd. (上海英太利金科技有限公司)	4,800,000.00	-	-	4,800,000.00	-	-
Xi'an Comfort Meijia Housekeeping Service Co., Ltd. (西安舒適美佳家政服務有限責任公司)	1,852,500.00	-	1,852,500.00	-	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Shanghai Red Star Macalline Decoration (Group) Company Limited (上海紅星美凱龍建築裝飾(集團)有限公司)	12,000,000.00	-	-	12,000,000.00	-	-
Red Star Macalline Life Aesthetics Center Management Company Limited (紅星美凱龍生活美學中心管理有限公司)	23,480,000.00	-	-	23,480,000.00	-	-
Wuhu Red Star Macalline Shimao Furniture Plaza Company Limited (蕪湖紅星美凱龍世貿家居廣場有限公司)	27,422,989.40	-	-	27,422,989.40	-	-
Shanghai Macalline Decoration Engineering Group Co., Ltd. (上海美凱龍裝飾工程集團有限公司)	38,000,000.00	-	-	38,000,000.00	-	-
Betterhome Construction Technology Company Limited (家倍得建築科技有限公司)	180,000,000.00	-	-	180,000,000.00	-	-
Haikou Tangong Industrial Company Limited (海口檀宮實業有限公司)	10,000,000.00	100,000,000.00	-	110,000,000.00	-	-
Red Star Home (Shanghai) Technology Co., Ltd. (紅星到家(上海)科技有限公司)	41,500,000.00	-	-	41,500,000.00	-	-
Xinsheng Property Management (Shanghai) Co., Ltd. (鑫笙物業管理(上海)有限公司)	701,226,300.00	-	-	701,226,300.00	-	-
Foshan Junda Enterprise Management Co., Ltd. (佛山郡達企業管理有限公司)	1,101,049,000.00	-	-	1,101,049,000.00	-	-
Shanghai Red Star Macalline Fanjia Information Service Company Limited (上海紅星美凱龍泛家信息服務有限公司)	1,020,000.00	-	-	1,020,000.00	-	-
Shanghai Macalline Wenshang Business Management Co., Ltd. (上海美凱龍文商商務企業管理有限公司)	2,800,000.00	-	-	2,800,000.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Hangzhou Red Star Macalline Global Home Living Company Limited (杭州紅星美凱龍環球家居有限公司)	931,344,793.89	-	-	931,344,793.89	-	-
Shaanxi Red Star Heji Home Shopping Plaza Company Limited (陝西紅星和記家居購物廣場有限公司)	199,914,861.15	-	-	199,914,861.15	-	-
Red Star Macalline Commercial Management Co., Ltd. (紅星美凱龍商業經營管理有限公司)	20,000,000.00	-	-	20,000,000.00	-	-
Shanghai Macalline Xingshang Modular Decoration Technology Co., Ltd. (上海美凱龍星尚模數裝飾科技有限公司)	6,000,000.00	-	-	6,000,000.00	-	-
Beijing Red Star Macalline International Home Furnishing Plaza Company Limited (北京紅星美凱龍國際傢俱建材廣場有限公司)	344,780,641.87	-	-	344,780,641.87	-	-
Beijing Red Star Macalline Shibo Furniture Plaza Company Limited (北京紅星美凱龍世博傢俱廣場有限公司)	31,856,462.57	-	-	31,856,462.57	-	-
Beijing Macalline Home Furnishing Material Market Company Limited (北京美凱龍傢俱建材市場有限公司)	630,335.17	-	-	630,335.17	-	-
Red Star Macalline Shibo (Tianjin) Home Furnishing Plaza Company Limited (紅星美凱龍世博(天津)家居生活廣場有限公司)	230,851,821.21	-	-	230,851,821.21	-	-
Kunshan Red Star Macalline Global Home Furnishing Company Limited (昆山紅星美凱龍全球家居有限公司)	1,000,000.00	-	-	1,000,000.00	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Tongxiang Red Star Macalline Shibo Home Furnishing Plaza Management Company Limited (桐鄉紅星美凱龍世博家居廣場管理有限公司)	500,000.00	-	-	500,000.00	-	-
Beijing Red Star Macalline Business Management Company Limited (北京紅星美凱龍企業經營管理有限公司)	2,700,000.00	-	-	2,700,000.00	-	-
Wuxi Red Star Macalline Business Management Company Limited (無錫紅星美凱龍經營管理有限公司)	700,000.00	-	-	700,000.00	-	-
Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘇州紅星美凱龍世博家居廣場有限公司)	151,611,912.79	-	-	151,611,912.79	-	-
Changzhou Macalline International Computer and Electronics Furnishing Plaza Company Limited (常州美凱龍國際電腦家電裝飾城有限公司)	(1,955,167.87)	-	-	(1,955,167.87)	-	-
Shanghai Red Star Macalline Home Living Market Management Company Limited (上海紅星美凱龍家居市場經營管理有限公司)	(1,408,244.71)	-	-	(1,408,244.71)	-	-
Ganzhou Red Star Macalline Shibo Furniture Plaza Company Limited (贛州紅星美凱龍世博家居廣場有限公司)	-	70,000,000.00	-	70,000,000.00	-	-
Hong Kong Red Star Macalline Business Management Company Limited (香港紅星美凱龍商業管理有限公司)	-	32,835,489.00	-	32,835,489.00	-	-

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision made for impairment allowance during the period	Closing balance of impairment allowance
Shanghai Red Star Macalline Technology Development Co., Ltd. (上海紅星美凱龍科技發展有限公司)	-	20,000,000.00	-	20,000,000.00	-	-
Chengdu Red Star Macalline Global Home Furnishing Company Limited (成都紅星美凱龍全球家居有限公司)	-	31,500,000.00	-	31,500,000.00	-	-
Red Star Macalline Management Consulting Service Co., Ltd. (紅星美凱龍管理諮詢服務有限公司)	-	50,000,000.00	-	50,000,000.00	-	-
Liuzhou Red Star Macalline Home Furnishing Company Limited (柳州紅星美凱龍家居有限公司)	-	23,000,000.00	-	23,000,000.00	-	-
Hainan Red Star Macalline Enterprise Management Co., Ltd. (海南紅星美凱龍企業管理有限公司)	-	100,000.00	-	100,000.00	-	-
Total	18,757,923,541.87	612,235,489.00	401,852,500.00	18,968,306,530.87	-	-

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(2) Investments in Associates and Joint Ventures

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period					Closing balance	Closing of impairment allowance	
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity	Cash dividend or profit declared	Provision made for impairment allowance			Others
I. Joint ventures											
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	808,261,211.75	-	-	10,996,696.97	-	-	-	-	-	819,257,908.72	
Shanghai Mingyi Enterprise Development Co., Ltd. (上海名藝商業企業發展有限公司)	64,873,166.27	-	-	14,436,143.57	-	-	-	-	-	79,309,309.84	
Baoxiang Red Star Macalline (Xiamen) Global Home Plaza Co., Ltd. (寶象紅星美凱龍(廈門)全球家居廣場有限公司)	9,399,204.16	-	-	(7,214,769.02)	-	-	-	-	-	2,184,435.14	
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	3,111,638.02	-	-	(1,450,794.41)	-	-	-	-	-	1,660,843.61	
Xiamen Baoxiang Red Star Macalline Home Furnishing Plaza Company Limited (廈門寶象紅星美凱龍家居生活廣場有限公司)	-	-	-	-	-	-	-	-	-	-	
Sub-total	885,645,220.20	-	-	16,767,277.11	-	-	-	-	-	902,412,497.31	

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term Equity Investments (continued)

(2) Investments in Associates and Joint Ventures (continued)

Investor	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period					Closing balance	
				Investment gain/loss under equity method	Adjustment of other comprehensive income	Other changes to equity	Cash dividend or profit declared	Provision made for impairment allowance		Others
II. Associates										
Shandong Inzone Green Home Co., Ltd. (山東綠座家居有限公司)	379,110,566.50	-	-	15,702,856.44	-	-	-	-	-	394,813,421.94
Shenyudao Cultural Tourism Holding Co., Ltd. (神玉島文化旅遊控股股份有限公司)	180,995,432.77	-	-	(3,741,229.98)	-	-	-	-	-	177,254,202.79
Zhejiang Mingdu Investment Company Limited (浙江名都投資有限公司)	165,300,000.00	-	-	-	-	-	-	-	-	165,300,000.00
Wuhan Zhengkai Logistics Co., Ltd. (武漢市正凱物流有限公司)	127,075,701.74	-	-	(6,589,993.68)	-	-	-	-	-	118,485,708.06
Shanghai Jinjiang United Purchasing Supply Chain Co., Ltd. (上海錦江聯派供應鏈有限公司)	30,138,903.75	-	-	(991,701.71)	-	-	-	-	-	29,147,202.04
Shenzhen Yatai Macalline Life Space Technology Co., Ltd. (深圳市亞泰美凱龍空間科技有限公司)	9,341,711.18	-	-	(265,976.99)	-	-	-	-	-	9,055,734.19
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝璜工程有限公司)	5,352,588.39	-	-	50,432.26	-	-	-	-	-	5,403,020.65
Sub-total	897,314,903.33	-	-	2,144,386.34	-	-	-	-	-	899,459,289.67
Total	1,782,960,123.53	-	-	18,911,663.45	-	-	-	-	-	1,801,871,786.98

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Revenue and Cost of Sales

(1) Revenue and cost of sales

Unit: Yuan Currency: RMB

Items	Amount for the period		Amount for previous period	
	Revenue	Costs	Revenue	Costs
Principal business	649,412,820.40	169,837,031.20	497,472,000.03	158,760,665.04
Other business	174,752,779.52	–	134,940,561.09	–
Total	824,165,599.92	169,837,031.20	632,412,561.12	158,760,665.04

(2) Revenue generated from contracts

Unit: Yuan Currency: RMB

Classification of contracts	Entrusted management		Total
	related-segments	Others-segments	
Classified by operating regions			
Mainland China	156,835,606.18	174,752,779.52	331,588,385.70
Total	156,835,606.18	174,752,779.52	331,588,385.70

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Revenue and Cost of Sales (continued)

(2) Revenue generated from contracts (continued)

Description of revenue generated from contracts:

	In the first half of 2021	In the first half of 2020
Revenue from the brand consulting and management service for the early stage of the project	7,169,811.32	(28,443,396.23)
Revenue from annual brand consulting and management service for the project	131,348,761.39	150,225,661.88
Revenue from commercial consultation fees and tenant sourcing commissions	18,317,033.47	
Other revenues	174,752,779.52	212,154,263.38
Total	331,588,385.70	333,936,529.03

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Revenue and Cost of Sales (continued)

(3) Description on performance obligations

Revenue from the brand consulting and management service for the early stage of the project

The Company performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from annual brand consulting and management service for the project

The Company performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from commercial management and consultation fees for construction project

The Company fulfills the performance obligations when providing relevant service and obtaining the confirmation letter for relevant services issued by customers. The contract consideration is generally paid in a way as agreed in the contract and part of it needs to be paid before the performance obligations of the contract take place.

Revenue from commercial consultation fees

The Company performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Revenue and Cost of Sales (continued)

(3) Description on performance obligations (continued)

Revenue from tenant sourcing commissions

The Company performs the performance obligations when providing relevant service. The contract consideration is generally paid in a way as agreed in the contract and part of it generally needs to be paid before the performance obligations of the contract take place.

Revenue from strategic consultation fees

The Company performs the performance obligations when providing service. The contract consideration is generally paid in a way as agreed in the contract and part of it needs to be paid before the performance obligations of the contract take place.

(4) Description of allocation to the remaining performance obligations

At the end of the Reporting Period, the amount of revenue corresponding to the performance obligations which have been signed but not yet fulfilled or fully fulfilled is RMB5,329,996,463.76, including:

RMB555,071,110.65 is expected to be recognized as revenue in July 2021/June 2022

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XIV. NOTES TO THE MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Investment Income

Unit: Yuan Currency: RMB

Items	Amount for the period	Amount for previous period
Gain on long-term equity investment based on cost method	483,471,972.63	601,600,000.00
Gain on long-term equity investment based on equity method	18,911,663.45	26,020,697.14
Investment gain from disposal of long-term equity investments	383,295,664.03	–
Investment gain from disposal of financial assets held for trading	8,117,681.94	(592,328.69)
Bonuses received from other equity instruments investment	12,689,627.58	6,287,223.34
Bonuses received from other non-current financial assets	–	5,351,690.83
Total	906,486,609.63	638,667,282.62

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XV. SUPPLEMENTARY INFORMATION

1. Breakdown of Non-Recurring Profit or Loss for the Current Period

Unit: Yuan Currency: RMB

Items	Amount	Description
Gain or loss on disposal of non-current assets	15,671,926.81	–
Government grants credited to profit or loss for the current period (exclusive of those that are closely related to the operation of enterprise and received in a certain amount or fixed quantity in conformity with the common standards of the state)	52,812,889.76	–
Funds-use income received from non-financial enterprises and credited to the profit or loss for the current period	93,387,809.80	–
Gains or losses on changes in fair values derived from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging operations related to the normal operations of the Company	17,054,726.95	–
Reverse of the impairment allowance for accounts receivables and contract assets tested for impairment individually	5,409,118.00	–
Gain or loss arising from changes in fair value of investment properties measured subsequently at fair value	212,750,860.42	–
Non-operating income and expenses other than the above items	(961,885.58)	–
The value-added portion of investment gains from investment properties valuation of associates and joint ventures attributable to the enterprise	(22,781,250.00)	–
Investment gain (loss) on disposal of subsidiaries	750,639,818.00	–
Investment gain on disposal of associates	12,786,208.36	–
Impact on income tax	(274,363,937.95)	–
Impact on non-controlling interests	(62,444,883.77)	–
Total	799,961,400.80	–

Notes to the Financial Statements

For the period ended 30 June 2021

RMB

XV. SUPPLEMENTARY INFORMATION (continued)

2. Return on Net Assets and Earnings per Share

Profit during the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	3.53	0.44	N/A
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	1.91	0.24	N/A

Chairman: CHE Jianxing

Date of submission approved by the Board: 25 August 2021