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花 樣 年

FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

- The Group's contracted sales for the period was approximately RMB28,117 million, representing a year-on-year increase of 60.1%.
- The Group's revenue for the period was approximately RMB10,952 million, representing a year-on-year increase of 18.5%.
- The Group's net profit for the period was approximately RMB303 million, representing a year-on-year increase of 9.5%.
- The Group's net profit attributable to the owners of the Company for the period was approximately RMB153 million, representing a year-on-year increase of 58.7%.
- Basic earnings per share was RMB2.65 cents (the corresponding period of 2020: RMB1.67 cents).

The board (the “**Board**”) of directors (the “**Directors**”) of Fantasia Holdings Group Co., Limited (hereinafter referred to as “**Fantasia**” or the “**Company**”) announces the unaudited financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	<i>NOTES</i>	Six months ended 30 June	
		2021	2020
		<i>RMB’000</i>	<i>RMB’000</i>
		(Unaudited)	(Unaudited)
Revenue			
Contracts with customers		10,803,384	9,044,252
Leases		148,310	197,243
		<hr/>	<hr/>
Total revenue	3&4	10,951,694	9,241,495
Cost of sales and services		(8,674,437)	(6,132,801)
		<hr/>	<hr/>
Gross profit		2,277,257	3,108,694
Other income		107,554	106,778
Other gains and losses		437,802	(245,804)
Impairment losses under expected credit loss model, net of reversal		(16,959)	(32,392)
Change in fair value of investment properties		321,109	103,413
Selling and distribution expenses		(158,981)	(155,501)
Administrative expenses		(763,030)	(696,795)
Finance costs		(1,109,138)	(927,120)
Share of results of associates		1,223	6,406
Share of results of joint ventures		7,627	(12,276)
(Loss) gain on disposal of subsidiaries		(6,733)	162,595
		<hr/>	<hr/>
Profit before tax		1,097,731	1,417,998
Income tax expense	5	(794,795)	(1,141,398)
		<hr/>	<hr/>
Profit for the period	6	302,936	276,600
		<hr/>	<hr/>

		Six months ended 30 June	
		2021	2020
NOTE		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
	Fair value gain (loss) on hedging instruments designated as cash flow hedges	16,468	(5,839)
Items that will not be reclassified subsequently to profit or loss:			
	Fair value (loss) gain on equity instruments designated at fair value through other comprehensive income (“FVTOCI”)	(7,173)	3,090
	Deferred taxation effect	1,793	(773)
		(5,380)	2,317
Other comprehensive income (expense) for the period, net of income tax		11,088	(3,522)
Total comprehensive income for the period		314,024	273,078
Profit for the period attributable to:			
	Owners of the Company	152,755	96,238
	Other non-controlling interests	150,181	180,362
		302,936	276,600
Total comprehensive income for the period attributable to:			
	Owners of the Company	166,426	91,596
	Other non-controlling interests	147,598	181,482
		314,024	273,078
Earnings per share – basic (RMB cents)	8	2.65	1.67
Earnings per share – diluted (RMB cents)	8	2.64	1.66

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	30 June	31 December
	2021	2020
<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,125,014	1,216,526
Right-of-use assets	641,131	697,905
Investment properties	9,746,425	10,298,393
Interests in associates	3,517,100	3,562,881
Interests in joint ventures	4,831,601	3,369,445
Equity instruments designated at FVTOCI	47,409	54,582
Goodwill	2,753,853	2,329,732
Intangible assets	1,032,904	953,461
Other receivables	9 703,763	679,358
Contract assets	6,733	14,572
Amounts due from related parties	365,979	768,889
Pledged bank deposits	540,394	560,000
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	3,652,205	4,074,195
Deferred tax assets	665,731	746,467
	<u>29,630,242</u>	<u>29,326,406</u>

		30 June	31 December
		2021	2020
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
CURRENT ASSETS			
Properties for sale		38,597,073	32,709,730
Contract assets		823,621	801,968
Contract costs		392,384	348,236
Trade and other receivables	9	5,096,657	9,097,375
Tax recoverable		32,501	114,384
Amounts due from related parties		4,007,154	5,080,621
Restricted/pledged bank deposits		3,864,440	3,148,103
Bank balances and cash		27,177,862	24,923,383
		79,991,692	76,223,800
		109,621,934	105,550,206
CURRENT LIABILITIES			
Trade and other payables	10	10,223,994	7,926,045
Contract liabilities		12,157,490	17,264,645
Derivative financial instruments		99,114	193,780
Amounts due to related parties		1,156,859	817,461
Tax liabilities		6,450,912	6,464,480
Borrowings due within one year		8,478,383	3,690,034
Lease liabilities due within one year		67,667	87,234
Senior notes and bonds due within one year		10,986,416	14,489,978
Asset-backed securities issued		12,581	20,206
Provisions		–	31,184
		49,633,416	50,985,047
NET CURRENT ASSETS		30,358,276	25,238,753
TOTAL ASSETS LESS CURRENT LIABILITIES		59,988,518	54,565,159

		30 June	31 December
		2021	2020
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Derivative financial instruments		21,231	688
Deferred consideration	10	32,242	–
Deferred tax liabilities		1,076,692	1,310,494
Borrowings due after one year		8,371,958	7,505,897
Lease liabilities due after one year		232,941	265,959
Senior notes and bonds due after one year		23,383,819	21,158,479
Asset-backed securities issued		255,000	–
		33,373,883	30,241,517
NET ASSETS		<u>26,614,635</u>	<u>24,323,642</u>
CAPITAL AND RESERVES			
Share capital		498,787	498,588
Reserves		13,838,952	14,030,208
Equity attributable to owners of the Company		14,337,739	14,528,796
Non-controlling interests		12,276,896	9,794,846
		<u>26,614,635</u>	<u>24,323,642</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”

Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (ie the basis immediately preceding the change).

Transition and summary of effects

As at 1 January 2021 and 30 June 2021, the Group has several financial liabilities, including borrowings amounting to RMB143,548,000 and RMB1,098,439,000, respectively, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for borrowings measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group’s consolidated financial statements for the year ending 31 December 2021.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Segment	For the period ended 30 June 2021					Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	
Types of goods and services						
<i>Property development</i>						
Sales of completed properties	8,335,628	-	-	-	-	8,335,628
Construction of properties	18,303	-	-	-	-	18,303
<i>Property agency services</i>						
Provision of property agency services	-	39,522	-	-	-	39,522
<i>Property operation services</i>						
Provision of property management services	-	-	1,995,592	-	-	1,995,592
Provision of value-added services	-	-	197,580	-	-	197,580
Provision of engineering services	-	-	36,167	-	-	36,167
<i>Hotel operations</i>						
Provision of hotel accommodation services	-	-	-	40,345	-	40,345
<i>Others</i>						
Property project management and other related services	-	-	-	-	140,247	140,247
	<u>8,353,931</u>	<u>39,522</u>	<u>2,229,339</u>	<u>40,345</u>	<u>140,247</u>	<u>10,803,384</u>
Timing of revenue recognition						
A point in time	8,335,628	39,522	-	-	-	8,375,150
Over time	18,303	-	2,229,339	40,345	140,247	2,428,234
	<u>8,353,931</u>	<u>39,522</u>	<u>2,229,339</u>	<u>40,345</u>	<u>140,247</u>	<u>10,803,384</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue disclosed in segment information	8,353,931	148,310	39,522	2,759,408	40,345	409,669	11,751,185
Elimination	-	-	-	(530,069)	-	(269,422)	(799,491)
Leases	-	(148,310)	-	-	-	-	(148,310)
Revenue from contracts with customers	<u>8,353,931</u>	<u>-</u>	<u>39,522</u>	<u>2,229,339</u>	<u>40,345</u>	<u>140,247</u>	<u>10,803,384</u>

3. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of revenue from contracts with customers (Continued)

Segment	For the period ended 30 June 2020						Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)		
Types of goods and services							
<i>Property development</i>							
Sales of completed properties	6,417,144	–	–	–	–	–	6,417,144
Construction of properties	213,647	–	–	–	–	–	213,647
<i>Property agency services</i>							
Provision of property agency services	–	7,423	–	–	–	–	7,423
<i>Property operation services</i>							
Provision of property management services	–	–	1,905,058	–	–	–	1,905,058
Provision of value-added services	–	–	142,683	–	–	–	142,683
Provision of engineering services	–	–	76,541	–	–	–	76,541
<i>Hotel operations</i>							
Provision of hotel accommodation services	–	–	–	23,507	–	–	23,507
<i>Others</i>							
Manufacturing and sales of fuel pumps	–	–	–	–	219,058	–	219,058
Provision of travel agency services	–	–	–	–	39,191	–	39,191
	<u>6,630,791</u>	<u>7,423</u>	<u>2,124,282</u>	<u>23,507</u>	<u>258,249</u>	<u>–</u>	<u>9,044,252</u>
Timing of revenue recognition							
A point in time	6,417,144	7,423	–	–	219,058	–	6,643,625
Over time	213,647	–	2,124,282	23,507	39,191	–	2,400,627
	<u>6,630,791</u>	<u>7,423</u>	<u>2,124,282</u>	<u>23,507</u>	<u>258,249</u>	<u>–</u>	<u>9,044,252</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue disclosed in segment information	6,634,740	197,243	7,423	2,178,984	23,507	258,249	9,300,146
Elimination	(3,949)	–	–	(54,702)	–	–	(58,651)
Leases	–	(197,243)	–	–	–	–	(197,243)
Revenue from contracts with customers	<u>6,630,791</u>	<u>–</u>	<u>7,423</u>	<u>2,124,282</u>	<u>23,507</u>	<u>258,249</u>	<u>9,044,252</u>

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2021

Segment revenue (Unaudited)	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property agency services <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	8,353,931	148,310	39,522	2,759,408	40,345	409,669	11,751,185
Segment results	<u>602,534</u>	<u>465,673</u>	<u>11,890</u>	<u>474,506</u>	<u>(6,898)</u>	<u>200,656</u>	<u>1,748,361</u>

Six months ended 30 June 2020

Segment revenue (Unaudited)	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property agency services <i>RMB'000</i>	Property operation services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Others <i>RMB'000</i> <i>(note)</i>	Total <i>RMB'000</i>
Segment revenue	6,634,740	197,243	7,423	2,178,984	23,507	258,249	9,300,146
Segment results	<u>1,737,628</u>	<u>295,674</u>	<u>(7,667)</u>	<u>407,873</u>	<u>(15,013)</u>	<u>(15,083)</u>	<u>2,403,412</u>

Note: For the six months ended 30 June 2021, others are engaged in provision of property project management services and other related services. For the six months ended 30 June 2020, others are engaged in provision of travel agency services and manufacturing and sale of fuel pumps.

Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of exchange gain (loss), interest income, change in fair value of financial assets at FVTPL and derivative financial instruments, finance costs, share of results of associates and joint ventures, gain (loss) on disposal of subsidiaries and associates, gain on remeasurement, gain on repurchase/early redemption of senior notes and asset-backed securities issued, certain other income, gains and losses, central administration costs, directors' salaries and share-based payment expenses. This is the measure reported to the directors of the Company, the chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

4. SEGMENT INFORMATION (CONTINUED)

Reconciliation:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total segment profit	1,748,361	2,403,412
Unallocated amounts:		
Interest income	77,663	85,003
Net exchange gain (loss)	193,580	(281,161)
Change in fair value of financial assets at FVTPL	–	27,516
Share-based payment expenses	(1,330)	(3,349)
Finance costs	(1,109,138)	(927,120)
Share of results of associates and joint ventures	8,850	(5,870)
(Loss) gain on disposal of subsidiaries	(6,733)	162,595
Gain on remeasurement of interests in associates	179,735	–
Net gain on repurchase, early redemption and modification of senior notes and asset-backed securities issued	71,569	4,817
Other unallocated other income, gains and losses	(8,734)	2,079
Other unallocated expenses	(56,092)	(49,924)
Profit before tax	<u>1,097,731</u>	<u>1,417,998</u>

The following is an analysis of the Group's assets by reportable and operating segments:

	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Property development	43,500,639	39,980,195
Property investment	9,796,313	10,336,549
Property agency services	20,426	20,047
Property operation services	6,591,625	7,862,323
Hotel operations	930,993	989,327
Others	190,073	209,819
Total segment assets	61,030,069	59,398,260
Total unallocated assets	48,591,865	46,151,946
Group's total assets	<u>109,621,934</u>	<u>105,550,206</u>

4. SEGMENT INFORMATION (CONTINUED)

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, equity instruments designated at FVTOCI, deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures, amounts due from related parties, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax in the PRC		
PRC enterprise income tax	650,136	604,093
LAT	326,225	608,067
	<u>976,361</u>	<u>1,212,160</u>
Deferred tax		
Credit to profit and loss	(181,566)	(70,762)
	<u>(181,566)</u>	<u>(70,762)</u>
	<u>794,795</u>	<u>1,141,398</u>

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Net exchange (gain) loss	(304,014)	336,826
Fair value change on hedging instruments	<u>110,434</u>	<u>(55,665)</u>
	<u>(193,580)</u>	<u>281,161</u>
Government grant and partial exemption of PRC value-added tax (included in other income)	(29,891)	(21,775)
Interest income (included in other income)	(77,663)	(85,003)
Net gain on repurchase and early redemption of senior notes and bonds (included in other gains and losses)	(71,569)	(4,817)
Loss on disposal of associates and joint ventures (included in other gains and losses)	7,441	–
(Gain) loss on disposal of plant, property and equipment (included in other gains and losses)	(1,652)	767
Depreciation of property, plant and equipment	129,261	156,951
Depreciation of right-of-use assets	41,999	41,989
Amortisation of intangible assets	71,842	69,798
Staff costs	<u>1,200,867</u>	<u>1,287,126</u>

7. DIVIDENDS

During the six months ended 30 June 2021, a final dividend in respect of the year ended 31 December 2020 of HK\$7.05 cents, equivalent to RMB5.93 cents (2020: final dividend in respect of the year ended 31 December 2019 of HK5.50 cents, equivalent to RMB5.0 cents) per share was declared. Subsequent to 30 June 2021, RMB342,315,000 (2020: RMB288,384,000) was paid to the owners of the Company.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>152,755</u>	<u>96,238</u>
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,772,200	5,767,840
Effect of dilutive potential ordinary shares:		
Share options	<u>17,957</u>	<u>33,173</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>5,790,157</u></u>	<u><u>5,801,013</u></u>

The computation of diluted earnings per share for the six months ended 30 June 2021 and 2020 does not take into account the effect of the share options granted by Colour Life, a non wholly-owned subsidiary of the Company, since the exercise price of the share options was higher than the average market price of the Colour Life's shares.

The computation of diluted earnings per share for the six months ended 30 June 2020 does not take into account the effect of the share options granted by Morning Star, a wholly owned subsidiary of the Company disposed in March 2020, since Morning Star was loss-making for both periods and the exercise of share options would result in an increase in earnings per share.

9. TRADE AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	1,261,528	1,803,735
Other receivables	1,052,375	1,188,815
Loan receivables	32,659	225,949
Prepayments and other deposits	880,549	1,847,545
Prepayments to suppliers	132,250	265,118
Prepayments for construction work	730,330	761,984
Consideration receivables on disposal of equity interests in subsidiaries and an associate	716,097	2,598,461
Amount due from Pixian Government	122,830	122,830
Other tax prepayments	871,802	962,296
	5,800,420	9,776,733
Less: Amounts shown under non-current assets	(703,763)	(679,358)
Amounts shown under current assets	5,096,657	9,097,375

Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation and travel agency service income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	30 June	31 December
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
0 to 30 days	557,250	1,036,529
31 to 90 days	280,047	283,314
91 to 180 days	268,558	263,994
181 to 365 days	108,191	153,979
Over 1 year	47,482	65,919
	<u>1,261,528</u>	<u>1,803,735</u>

10. TRADE AND OTHER PAYABLES

	30 June	31 December
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables	6,889,405	4,717,083
Deposit received	709,343	949,984
Other payables	487,172	475,428
Other tax payables	723,047	821,224
Accrued staff costs	568,921	519,279
Dividend payables	403,305	–
Consideration payables for acquisition of subsidiaries	371,002	333,942
Accruals	104,041	109,105
	<u>10,256,236</u>	<u>7,926,045</u>
Less: Deferred consideration shown under non-current liabilities	<u>(32,242)</u>	<u>–</u>
Amounts shown under current liabilities	<u>10,223,994</u>	<u>7,926,045</u>

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

10. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0 to 60 days	6,254,632	3,627,559
61 to 180 days	302,589	610,244
181 to 365 days	236,322	212,197
1 – 2 years	95,558	265,107
2 – 3 years	304	1,608
Over 3 years	–	368
	6,889,405	4,717,083

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 July 2021, the Group entered into an agreement with Greenland Holdings Corporation Ltd. and its subsidiaries (collectively referred to as “**Greenland Entities**”) to acquire the entire equity interests of Shanghai Lumin Property Management Co., Ltd. (上海綠閔物業管理有限公司) (“**Shanghai Lumin**”) for RMB1,260,000,000. Pursuant to the terms of the agreement, the Greenland Entities have agreed to engage Shanghai Lumin as their strategic priority property management service provider of commercial related properties and to deliver contracted GFA of commercial related properties to Shanghai Lumin for a period of five years upon completion of the acquisition of Shanghai Lumin. At the date these consolidated financial statements are authorised for issuance, the acquisition of Shanghai Lumin have not been completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Property Development

Contracted Sales

In the first half of 2021, in light of the changes in the real estate market and the development of the Pandemic in various regions, the Group made adjustments to its marketing strategies in a timely and flexible manner, and launched quality projects with unique characteristics of the Group's products, which attracted great attention and received extensive recognition from the market, driving the excellent sales performance of the Group.

During the first six months ended 30 June 2021 (“the Period”), the Group achieved total contracted sales of approximately RMB28.117 billion and contracted sales area of 1,736,003 sq.m., of which, approximately RMB25.448 billion was derived from the contracted sales of residences with contracted sales area of 1,621,545 sq.m., accounting for approximately 90.5% and 93.4% of the total contracted sales and total contracted sales area of properties of the Group in the first half of 2021, respectively; and approximately RMB2.669 billion was derived from contracted sales of urban complexes with contracted sales area of 114,458 sq.m., representing approximately 9.5% and 6.6% of total contracted sales and total contracted sales area of properties of the Group in the first half of 2021, respectively.

Contracted sales amount and area attributable to different product categories in the first half of 2021

Categories	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	25,448	90.5	1,621,545	93.4
Urban Complexes	2,669	9.5	114,458	6.6
Total	28,117	100.0	1,736,003	100.0

During the Period, the contracted sales contribution to the Group was mainly derived from sales in 21 cities, including Chengdu, Foshan, Hangzhou, Shaoxing, Beijing, Qingdao and Wuhan, and also from approximately 57 projects, including Chengdu Biyun Tianxi, Foshan Guangyayuan, Hangzhou Duiyuetian, Shaoxing Spring Breeze, Beijing Guoxiangfu and Zhengzhou Good Time. The Group continued to extend its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area in order to continuously expand its vertical strategic move in each metropolitan area and focus on key cities to achieve sustainable development.

Contracted sales amount and area in each region in the first half of 2021

Categories	Amount		Area	
	(RMB million)	%	(sq.m.)	%
South China	4,982	17.7	332,656	19.2
Southwest China	7,228	25.7	564,098	32.5
Central China	1,452	5.2	150,959	8.7
East China	9,652	34.3	344,183	19.8
North China	4,803	17.1	344,107	19.8
Total	28,117	100.0	1,736,003	100.0

South China

As one of the most open and economically dynamic regions in China, and where Guangdong-Hong Kong-Macao Greater Bay Area situates, South China has an important strategic position in China's overall development. In the first half of 2021, the Group proactively seized the historic significant opportunity to build an internationally first-class bay area and a world-class urban agglomeration, sparing no effort to promote the project development in the Guangdong-Hong Kong-Macao Greater Bay Area. Foshan Yunjing and Foshan Guangyayuan, the two Foshan projects, were well received in the market.

During the Period, the Group recorded total contracted sales of RMB4.982 billion and total contracted sales area of 332,656 sq.m. in cities such as Shenzhen, Foshan and Huizhou in the Guangdong-Hong Kong-Macao Greater Bay Area as well as Guilin in Guangxi province, contributing to approximately 17.7% and 19.2% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Southwest China

As an important economic hub in South-western China, the Chengdu-Chongqing Metropolitan Area shows its robust market demand for real estate and is one of the earliest important strategic markets of the Group. The Group has become one of the most influential brand developers in the region. In the first half of 2021, the Group's prominent projects in Chengdu such as Chengdu Biyun Tianxi continued their popularity, and the Group also achieved good sales for its Chongqing project, Hockney's Good Time.

During the Period, the Group recorded total contracted sales of RMB7.228 billion and total contracted sales area of 564,098 sq.m. in Chengdu, Ziyang, Chongqing, Kunming and other cities in Southwest China, contributing to approximately 25.7% and 32.5% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Central China

As the geographical center of the country, Central China is increasingly becoming an important force for the rise of the central part of the country with its advantages of convenient transportation and developed economy. In the first half of 2021, the Group's projects in Wuhan such as Blue Sky continued their popularity, while Zhengzhou Good Time in Henan province attracted many local residents, further improving its name recognition and brand reputation among the customers in the regional market.

During the Period, the Group recorded total contracted sales of RMB1.452 billion and total contracted sales area of 150,959 sq.m. in cities such as Wuhan and Zhengzhou in Central China, contributing to approximately 5.2% and 8.7% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

East China

East China is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growing potential in the region for a long time and invested heavily in high-turnover projects. Hangzhou Duiyuetian, Shaoxing Spring Breeze, Nantong Guangqi Garden and other projects received fervent response from the local residents, driving the excellent sales performance of the Group in the Yangtze River Delta Metropolitan Area in the first half of 2021.

During the Period, the Group recorded total contracted sales of RMB9.652 billion and total contracted sales area of 344,183 sq.m. in Nanjing, Suzhou, Nantong, Shanghai, Hangzhou, Ningbo, Shaoxing and other cities in East China, contributing to approximately 34.3% and 19.8% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

North China

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, several most economically-developed cities of which, such as Beijing, Tianjin and Qingdao, are the primary targets of the Group for sustainable development. In the first half of 2021, the Group rapidly promoted the construction and sales of projects in the region, and also newly acquired a parcel of land in Beijing, further expanding its influence in the region.

During the Period, the Group recorded total contracted sales of RMB4.803 billion and total contracted sales area of 344,107 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 17.1% and 19.8% of the total contracted sales and total contracted sales area of properties of the Group respectively in the first half of 2021.

Newly Commenced Projects

During the Period, the Group commenced development of 14 projects or phases of projects with a total planned GFA of approximately 1,562,028 sq.m..

Breakdown of newly commenced projects in the first half of 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA of newly commenced projects (sq.m.)
South China						
1	Huizhou Jiatianxia	Huiyang District, Huizhou	Residential and commercial land use	100.00%	2022	34,255
2	Foshan Yunjing	Shunde District, Foshan	Residential land use	35.00%	Completion by phases between 2022 and 2023	56,392
3	Foshan Guangyayuan	Nanhai District, Foshan	Residential and commercial land use	49.00%	2022	27,058
4	Foshan Good Time	Shunde District, Foshan	Residential and commercial land use	34.00%	2023	136,655
5	Land G of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	100.00%	2022	61,365

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA of newly commenced projects (sq.m.)
Southwest China						
6	Chengdu Haoweilai	Xinjin County, Chengdu	Residential and commercial land use	100.00%	2022	69,540
7	Chengdu Wanghuaxi (Formerly known as Chengdu Wenjiang 80 mu Project)	Wenjiang District, Chengdu	Residential land use	100.00%	2022	197,680
8	Ziyang Love Forever	Hi-tech District, Ziyang	Residential and commercial land use	91.00%	2023	143,397
9	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	2023	134,710
10	Kunming Haoweilai Land Lot No.3	Taiping New Town, Kunming	Residential land use	63.00%	2023	193,341
East China						
11	Nantong Guangqi Garden	Rugao, Nantong City	Residential land use	33.00%	2023	152,692
12	Ningbo Emerald Residence (Formerly known as Ningbo Qiubi Project)	Yinzhou District, Ningbo	Residential land use	49.00%	2023	93,929
13	Yangzhou Rongyuechunxiao	Hangji Town, Yangzhou	Residential land use	40.00%	2023	199,389
North China						
14	Beijing Pinnacle Mansion (Formerly known as Beijing Mentougou Project)	Mentougou District, Beijing	Residential and commercial land use	40.00%	2022年	61,626

Completed Projects

During the Period, the Group completed a total of 9 projects or phases of projects with a total GFA of approximately 1,266,308 sq.m..

Breakdown of completed projects in the first half of 2021

Region	Completed GFA (sq.m.)
South China	254,863
Southwest China	604,905
Central China	52,152
East China	199,977
North China	154,411

Projects Under Construction

As at 30 June 2021, the Group had a total of 47 projects or phases of projects under construction with a total GFA of 8,271,638 sq.m..

Breakdown of projects under construction as at 30 June 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
South China						
1	Shenzhen Jiatianxia	Dapeng New District, Shenzhen	Residential and commercial land use	10.00%	2022	116,682
2	Shenzhen Good Time	Pingshan District, Shenzhen	Residential and commercial land use	20.00%	2023	334,439
3	Huizhou Jiatianxia	Huiyang District, Huizhou	Residential and commercial land use	100.00%	2022	38,143
4	Huizhou Kangcheng Siji	Zhongkai District, Huizhou	Residential and commercial land use	100.00%	2022	76,685
5	Foshan Yunjing	Shunde District, Foshan	Residential land use	35.00%	Completion by phases between 2022 and 2023	147,015
6	Foshan Guangyayuan	Nanhai District, Foshan	Residential and commercial land use	49.00%	2022	256,611
7	Foshan Good Time	Shunde District, Foshan	Residential and commercial land use	34.00%	2023	136,655
8	Lands H and G of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	100.00%	Completion by phases between 2021 and 2022	413,105
9	Land D2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	70.00%	2022	135,493

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
Southwest China						
10	Chengdu Grande Valley	Pujiang County, Chengdu	Residential and commercial land use	70.00%	Completion by phases between 2021 and 2022	264,284
11	Chengdu Zhihui City	Chongzhou, Chengdu	Residential and commercial land use	100.00%	2021	172,461
12	Chengdu Jitianxia	Shuangliu District, Chengdu	Residential and commercial land use	60.00%	2021	220,578
13	Chengdu Jiangshan	Qingbaijiang District, Chengdu	Residential and commercial land use	55.00%	Completion by phases between 2021 and 2022	464,638
14	Chengdu Yinweilai	Pidu District, Chengdu	Residential and commercial land use	50.00%	2022	67,459
15	Chengdu Biyun Tianxi	Tianfu New District, Chengdu	Residential and commercial land use	50.00%	Completion by phases between 2022 and 2023	239,657
16	Chengdu Haoweilai	Xinjin County, Chengdu	Residential and commercial land use	100.00%	2023	192,996
17	Chengdu Xifu Hongyun	Pujiang County, Chengdu	Residential and commercial land use	30.00%	2023	174,546
18	Chengdu Chunyu Xi'an	Pidu District, Chengdu	Residential and commercial land use	40.00%	2022	81,441
19	Chengdu Xiangmendi Shijia	Pidu District, Chengdu	Residential and commercial land use	50.00%	2022	59,244
20	Chengdu Wanghuaxi (Formerly known as Chengdu Wenjiang 80 mu Project)	Wenjiang District, Chengdu	Residential land use	100.00%	2022	197,680
21	Ziyang Love Forever	Hi-tech District, Ziyang	Residential and commercial land use	91.00%	2023	290,012
22	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	2023	134,710
23	Kunming Haoweilai Land Lot No.3	Taiping New Town, Kunming	Residential land use	63.00%	2023	193,341
24	Kunming Haoweilai Land Lot No.4	Taiping New Town, Kunming	Residential land use	58.00%	2023	285,771

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
Central China						
25	Wuhan Huahaoyuan (East Section)	Jiang'an District, Wuhan	Residential and commercial land use	100.00%	Completion by phases between 2022 and 2023	189,723
26	Wuhan Blue Sky	Dongxihu District, Wuhan	Residential and commercial land use	18.33%	30 September 2021	184,857
27	Wuhan Jinshanghua (West Section)	Jiang'an District, Wuhan	Residential and commercial land use	100.00%	30 December 2021	60,231
28	Ezhou Xiangmendi	Ge Shop Hi-tech District, Ezhou	Residential and commercial land use	37.00%	Completion by phases between 2021 and 2022	268,544
29	Zhengzhou Good Time	Shangjie District, Zhengzhou	Residential and commercial land use	51.00%	Completion by phases between 2022 and 2023	149,785
East China						
30	Nanjing Lishui Jiatianxia	Lishui Economic Development District, Nanjing	Residential and commercial land use	100.00%	2021	96,497
31	Nanjing Huahaoyuan	Jiangbei New District, Nanjing	Residential land use	65.00%	2022	79,806
32	Hangzhou 360 Project	Gongshu District, Hangzhou	Industrial and commercial land use	44.00%	2021	232,495
33	Hangzhou Duiyuetian	Jiangan District, Hangzhou	Residential land use	100.00%	2022	100,407
34	Ningbo Chaoyue Nantang	Haishu District, Ningbo	Residential land use	33.00%	2022	205,273
35	Ningbo Fenglinfu	Fenghua District, Ningbo	Residential land use	34.00%	2022	157,313
36	Ningbo Emerald Residence (Formerly known as Ningbo Qiubi Project)	Yinzhou District, Ningbo	Residential land use	49.00%	2023	93,881
37	Shaoxing Spring Breeze	Yuecheng District, Shaoxing	Residential land use	51.00%	2023	385,377
38	Nantong Guangqi Garden	Rugao, Nantong City	Residential land use	33.00%	2023	241,875
39	Yangzhou Rongyuechunxiao	Hangji Town, Yangzhou	Residential land use	40.00%	2023	199,389

Project Serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA under construction (sq.m.)
North China						
40	Beijing Guoxiangfu	Miyun District, Beijing	Residential land use	22.50%	2022	177,524
41	Beijing Pinnacle Mansion (Formerly known as Beijing Mentougou Project)	Mentougou District, Beijing	Residential and commercial land use	40.00%	2022	61,626
42	Tianjin Love Forever	Wuqing District, Tianjin	Residential land use	70.00%	2021	62,872
43	Tianjin Jinshanghua	Wuqing District, Tianjin	Residential land use	51.00%	2021	137,418
44	Baoding Mancheng Project	Mancheng District, Baoding	Residential land use	51.00%	2022	64,525
45	Zhangjiakou Xingfu Wanxiang	Huailai County, Zhangjiakou	Commercial service land use	55.00%	Completion by phases between 2021 and 2022	235,108
46	Qingdao Blue Sky	Jiaozhou, Qingdao	Residential land use	53.00%	Completion by phases between 2022 and 2023	170,707
Overseas						
47	Parkwood Collection	Singapore	Residential land use	40%	2022	22,759

Projects Held for Development

As at 30 June 2021, the Group had a total of 18 projects or phases of projects held for development with a total GFA of approximately 3,592,442 sq.m..

Breakdown of projects held for development as at 30 June 2021

Project Serial number	Project name	Project location	Nature of land	Company's interest	GFA of projects held for development (sq.m.)
South China					
1	Shenzhen Meilin Yuehua Project	Futian District, Shenzhen	Emerging industrial land use	90.00%	126,610
2	Foshan Good Time	Shunde District, Foshan	Residential land use	34.00%	104,655
3	Land A2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential land use	100.00%	26,214
4	Land I2 of Guilin Lakeside Eden	Lingui District, Guilin	Residential and commercial land use	70.00%	147,583

Project Serial number	Project name	Project location	Nature of land	Company's interest	GFA of projects held for development (sq.m.)
Southwest China					
5	Chengdu Grande Valley	Pujiang County, Chengdu	Residential and commercial land use	70.00%	723,561
6	Chengdu Xifu Hongyun	Pujiang County, Chengdu	Residential and commercial land use	30.00%	134,567
7	Chengdu Shuangliu 105 mu Project	Shuangliu District, Chengdu	Residential and commercial land use	5.00%	186,000
8	Chongqing Hockney's Good Time	Shapingba District, Chongqing	Residential and commercial land use	100.00%	43,518
9	Chongqing Huixing 123 mu Project	Yubei District, Chongqing	Residential and commercial land use	33.21%	146,983
10	Chongqing Hi-Tech 86 mu Project	Hi-Tech District, Chongqing	Residential land use	100.00%	118,549
11	Kunming Haoweilai	Taiping New Town, Kunming	Residential and commercial land use	63.00%	503,711
Central China					
12	Wuhan Hanzheng Street Project	Qiaokou District, Wuhan	Residential and commercial land use	50.00%	321,655
13	Phase II of Wuhan Jin Xiu Town	Hongshan District, Wuhan	Residential and commercial land use	50.10%	111,883
East China					
14	Ningbo Hangzhou Bay Jincheng Mingshi	Hangzhou Bay New District, Ningbo	Residential land use	90.00%	76,769
15	Hangzhou Pule 73 mu Project	Binjiang District, Hangzhou	Residential land use	41.65%	182,304
North China					
16	Beijing Miyun 88 mu Project	Miyun District, Beijing	Residential land use	22.50%	177,008
17	Tianjin Yingcheng Lake Project	Hangu District, Tianjin	Residential, tourism and commercial land use	100.00%	168,339
18	Zhangjiakou Xingfu Wanxiang	Huilai County, Zhangjiakou	Commercial service land use	55.00%	292,533

Land Bank

On 30 June 2021, the GFA of land bank for the Group's projects under construction and projects held for development amounted to approximately 11,864,080 sq.m..

DETAILS OF LAND BANK

Region	Projects under construction	Projects held for development	Aggregate GFA of land bank
	(sq.m.)	(sq.m.)	(sq.m.)
South China	1,654,828	405,062	2,059,889
Shenzhen	451,121	126,610	577,731
Huizhou	114,828	0	114,828
Foshan	540,281	104,655	644,935
Guilin	548,598	173,797	722,395
Southwest China	3,038,818	1,856,889	4,895,707
Chengdu	2,134,984	1,044,128	3,179,112
Ziyang	290,012	0	290,012
Chongqing	134,710	309,050	443,759
Kunming	479,112	503,711	982,823
Central China	853,140	433,538	1,286,678
Wuhan	703,355	433,538	1,136,893
Zhengzhou	149,785	0	149,785
East China	1,792,313	259,073	2,051,386
Nanjing	176,303	0	176,303
Hangzhou	332,902	182,304	515,206
Ningbo	456,467	76,769	533,236
Shaoxing	385,377	0	385,377
Nantong	241,875	0	241,875
Yangzhou	199,389	0	199,389
North China	909,780	637,880	1,547,660
Beijing	239,150	177,008	416,158
Tianjin	220,290	168,339	368,629
Baoding	64,525	0	64,525
Zhangjiakou	235,108	292,533	527,641
Qingdao	170,707	0	170,707
Overseas	22,759	0	22,759
Singapore	22,759	0	22,759
Total	8,271,638	3,592,442	11,864,080

Community services

Colour Life, a community services provider of the Group, continued to lead the development trend of the community services industry. Leveraging on its outstanding third-party expansion capability, and through acquisitions and mergers, Colour Life achieved rapid expansion and also built up strong team strength and market advantage. As at 30 June 2021, the Total Contracted GFA of Colour Life reached 564.9 million sq.m. in 279 cities across the country, providing services for 2,817 communities

During the Period, Colour Life was committed to improving its service quality. By employing the key approaches of “facility improvement, prompt response, customised services, stable performance”, Colour Life made improvements to the issues raised by the clients such as the external walls, fire-fighting conditions, lifts and other aspects of the projects, made prompt response to clients’ concerns, addressed physical hardware quality issues and soft service requests by the clients, and provided one-to-one customised services for the clients via corporate WeChat account, making persistent efforts to foster customer loyalty. The Company also implemented a multi-dimensional management and control system and listened carefully to the expectation of the residents.

In addition, upholding the core principle of “building harmonious communities”, Colour Life organised a wide variety of community activities, with an aim to enrich the cultural activities of the community, promote neighbourhood relationship, improve the happiness of the residents and create interesting, loving and caring communities. The Group organised online annual parties for 419 projects managed by the Group during the 2021 Spring Festival, which have attracted 310,000 participants. The Group held the East Blink Day in May which lasted for two months and attracted over 2 million residents from more than 1,000 communities across the country, offering a good opportunity to promote neighbourhood relationship.

On the front of intelligent property management, Colour Life established the Technology R&D Center in the first half of 2021, with an aim to further enhance its R&D capability and promote the establishment of intelligent communities. Colour Life made improvement to the video surveillance, bluetooth entrance intercom, parking lots, patrol management, lift control and other sub-systems, and created various smart living scenarios, which enabled the residents to conveniently and at their own discretion utilise our security systems with good experience in their daily life.

In addition, in the face of the Pandemic and the summer flood disaster, the frontline staff from the property management arm of the Group spared no effort and worked around the clock to ensure community security and protect the safety of lives and properties of the residents, which has won extensive praise and recognition from the governments at all level and the residents.

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from the (i) property development, (ii) lease of investment properties, (iii) provision of property operation services, (iv) provision of hotel accommodation services, and (v) property project management and other related services. For the Period, revenue of the Group amounted to approximately RMB10,952 million, representing an increase of 18.5% from approximately RMB9,241 million for the corresponding period of 2020. Profit for the Period attributable to the owners of the Company was approximately RMB153 million, representing an increase of 58.7% from approximately RMB96 million for the corresponding period of 2020.

The table below sets forth the total revenue derived from each of the projects and the aggregate gross floor area (“GFA”) of properties sold in the first half of 2021 and 2020.

	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Total Revenue	Aggregate GFA Sold	Average Selling Price	Total Revenue	Aggregate GFA Sold	Average Selling Price
	RMB'000	sq. m.	RMB/sq. m.	RMB'000	sq. m.	RMB/sq. m.
Nanjing Lishui Jiatianxia	2,026,328	163,773	12,373	–	–	–
Tianjin Jiatianxia	1,864,781	160,260	11,636	–	–	–
Guilin Lakeside Eden	1,474,193	239,776	6,148	926,254	148,583	6,234
Chengdu Zhihui City	1,156,051	177,639	6,508	27,740	9,495	2,922
Sichuan Jiatianxia	688,981	67,129	10,264	2,215,338	177,844	12,457
Chengdu Grande Valley	619,435	87,751	7,059	–	–	–
Chengdu Longnian Plaza	406,495	44,810	9,072	27,361	5,744	4,763
Chengdu Xiangmendi	36,775	4,924	7,469	2,751,220	299,226	9,194
Cixi Seasonal Mansion Project	25,178	5,933	4,244	–	–	–
Kunming Lakeside Eden	18,227	11,810	1,543	91,050	29,677	3,068
Ziyang Love Forever	1,418	185	7,665	–	–	–
Chengdu Kanjinzhaoh	1,220	142	8,592	–	–	–
Huizhou Zijin Huafu	–	–	–	210,620	25,071	8,401
Sichuan Meinian Plaza	–	–	–	101,593	5,918	17,167
Ci Xi Joy City	–	–	–	50,479	9,046	5,580
Chengdu Longwu	–	–	–	15,489	5,896	2,627
Sub-total	8,319,082	964,132		6,417,144	716,500	
Others	34,849			213,647		
Total	8,353,931			6,630,791		

Property Development

The Group recognises revenue from the sale of properties at a point in time when the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable. Revenue from property development represents the proceeds from sales of properties held for sales by the Group. Revenue derived from property development increased by 26.0% to approximately RMB8,354 million for the six months ended 30 June 2021 from approximately RMB6,631 million for the corresponding period in 2020, which was primarily due to the increase in income recognized for the additional properties of the Group brought forward to this year as compared to the corresponding period last year.

Property Investment

Revenue generated from property investment decreased by 24.8% to approximately RMB148 million for the six months ended 30 June 2021 from approximately RMB197 million for the corresponding period in 2020. The decrease was primarily due to the decrease in rented area of investment properties leased out.

Property Agency Services

Revenue derived from property agency services increased by 432.4% to approximately RMB40 million for the six months ended 30 June 2021 from approximately RMB7 million for the corresponding period in 2020, which was due to the increase in commissions charged for the agency services for leasing and selling.

Property Operation Services

Revenue derived from property operation services increased by 4.9% to approximately RMB2,229 million for the six months ended 30 June 2021 from approximately RMB2,124 million for the corresponding period in 2020, mainly due to the increase in property areas under our management.

Hotel Operation and Related Services

Revenue derived from hotel operation and related services amounted to approximately RMB40 million for the six months ended 30 June 2021, representing an increase of 71.6% as compared to the corresponding period of 2020, which was mainly due to the recovery in tourism as the COVID-19 epidemic eased further (the corresponding period in 2020: RMB24 million).

Others

This mainly represents revenue from property project management and other related services. The revenue amounted to approximately RMB140 million for the six months ended 30 June 2021, representing a decrease of 45.7% as compared to approximately RMB258 million for the corresponding period of 2020, which was mainly due to the disposal of the business in manufacturing and sales of fuel pumps.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 26.7% to approximately RMB2,277 million for the six months ended 30 June 2021 from approximately RMB3,109 million for the corresponding period in 2020, while the Group's gross profit margin was approximately 20.8% for the six months ended 30 June 2021 as compared to a gross profit margin of approximately 33.6% for the corresponding period in 2020. The decrease in gross profit margin was mainly due to the higher land costs and capitalised interests from projects brought forward to the Period.

Other Gains and Losses

The Group recorded net other gains for the six months ended 30 June 2021 of approximately RMB438 million (the corresponding period in 2020: net other losses of approximately RMB246 million), which was due to the net exchange gains (factoring in the hedging results) of approximately RMB194 million (the corresponding period in 2020: net exchange losses of approximately RMB281 million) generated from the USD-denominated senior notes as a result of the appreciation of RMB.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2021 amounted to approximately RMB159 million, almost the same as those for the corresponding period in 2020 amounting to RMB156 million.

Administrative Expenses

The Group's administrative expenses increased by 9.5% to approximately RMB763 million for the six months ended 30 June 2021 from approximately RMB697 million for the corresponding period in 2020. The increase was primarily due to the increase in the daily administrative expense of the Group.

Finance Costs

The Group's finance costs increased by 19.6% to approximately RMB1,109 million for the six months ended 30 June 2021 from approximately RMB927 million for the corresponding period in 2020. The increase was primarily due to the increase in average balance of interest-bearing liabilities of the Group.

Income Tax Expense

The Group's income tax expense decreased by 30.4% to approximately RMB795 million for the six months ended 30 June 2021 from approximately RMB1,141 million for the corresponding period in 2020. The decrease was mainly due to a decrease in land appreciation tax as a result of the lower gross profit margin of property sales during the Period as compared to the corresponding period of 2020.

Liquidity, Financial and Capital Resources

Bank Balances and Cash Position

As at 30 June 2021, the Group's total bank balances and cash was approximately RMB31,583 million (31 December 2020: approximately RMB28,631 million), representing an increase of 10.3% as compared to that as at 31 December 2020. A part of our bank balances is restricted bank deposits and is for property development purposes only. Such restricted bank deposits will be discharged upon the completion of the respective property development relevant to such deposits.

Net Gearing Ratio

The net gearing ratio was 74.8% as at 30 June 2021 (31 December 2020: 75.0%). The net gearing ratio was calculated based on net debt (the total of its borrowings, senior notes and bonds and issued assets-backed securities (“ABS”), net of bank balances and cash (including restricted/pledged bank deposits)) over total equity. Through optimizing its equity structure and the stringent implementation measure for cash flow budget, the Group was able to maintain a reasonable proportion of long-term and short-term debt and the net gearing ratio as at the end of the Period was basically the same as that as at the end of last year.

Borrowings and Charges on the Group’s Assets

As at 30 June 2021, the Group had borrowings, senior notes and bonds and ABS of approximately RMB16,850 million (31 December 2020: approximately RMB11,196 million) in total, approximately RMB34,370 million (31 December 2020: approximately RMB35,648 million) in total and approximately RMB268 million (31 December 2020: approximately RMB20 million) in total, respectively. Amongst the borrowings, approximately RMB8,478 million (31 December 2020: approximately RMB3,690 million) will be repayable within one year and approximately RMB8,372 million (31 December 2020: approximately RMB7,506 million) will be repayable after one year. Amongst the senior notes and bonds, approximately RMB10,986 million (31 December 2020: approximately RMB14,490 million) will be repayable within one year and approximately RMB23,384 million (31 December 2020: approximately RMB21,158 million) will be repayable after one year. Amongst the ABS, approximately RMB13 million (31 December 2020: approximately RMB20 million) will be repayable within one year and approximately RMB255 million (31 December 2020: nil) will be repayable after one year.

As at 30 June 2021, a substantial part of the Group’s borrowings was secured by properties of the Group. The senior notes were jointly and severally guaranteed by the pledge of shares of certain subsidiaries of the Group.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and cash, borrowings, lease liabilities and senior notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. During the current interim period, the Group has adopted foreign currency hedging instruments to achieve better management over foreign exchange effect to its operation.

Contingent Liabilities

(i) As at 30 June 2021, the Group had provided guarantees amounting to approximately RMB10,694 million (31 December 2020: approximately RMB12,843 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the purchaser obtained the individual property ownership certificate. (ii) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2021, the Group's shares of such guarantees provided in respect of loans borrowed respectively by these joint ventures and associates amounted to approximately RMB935 million (31 December 2020: RMB1,683 million) and approximately RMB1,927 million (31 December 2020: RMB853 million). As the directors is of the opinion that the possibility of the default of the parties is remote and the fair value of guarantee contracts is insignificant, no provision for such guarantee contracts was recognised in the financial statements for the six months ended 30 June 2021.

Employees and Remuneration Policies

As at 30 June 2021, excluding the employees of communities managed on a commission basis under property operation service segment, the Group had approximately 34,118 employees (31 December 2020: approximately 35,965 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice. Apart from salary payments, other staff benefits include contribution to the mandatory provident fund (for employees of Hong Kong Special Administrative Region of the PRC) and state-managed retirement pension scheme (for employees of Mainland China), a discretionary bonus program and a share option scheme.

The Company adopted a share option scheme on 27 October 2009. As at 30 June 2021, a total of 142,660,000 share options were granted. During the current interim period, 3,064,000 share options had lapsed and 2,387,000 share options had been exercised. As at 30 June 2021, the number of outstanding share options was 67,107,000.

INTERIM DIVIDEND

The Board had resolved that no interim dividend will be paid for the Period (the corresponding period in 2020: nil).

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

The Board comprises five Executive Directors and four Independent Non-executive Directors. The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances, and has full and timely access to all relevant information in relation to the Group's businesses and affairs, but the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess respectively professional qualifications and related management experience in the areas of financial accounting, law, global economy and real estate and have contributed to the Board with their professional opinions.

During the Period, the Board is of the view that the Company has complied with all the code provisions under the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code ("**Model Code**") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry with all the Directors on whether the Directors have complied with the required standard as set out in the Model Code during the six months ended 30 June 2021 and all the Directors confirmed that they have complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, including Mr. Ho Man (Chairman of the Audit Committee), Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu. The Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, the internal controls and financial reporting matters including a review of the unaudited interim results for the Period. The external auditors of the Company have also reviewed the unaudited interim results for the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Senior Notes and Bonds

On 10 February 2021, the Company issued additional US\$150,000,000 11.875% senior notes due 2023 (the “**February 11.875% Additional Senior Notes Due 2023**”), which was consolidated and form a single series with the US\$300,000,000 11.875% senior notes due 2023 issued on 1 June 2020, for the purpose of refinancing certain of its indebtedness. Further details relating to the issue of the February 11.875% Additional Senior Notes Due 2023 are disclosed in the announcement of the Company dated 11 February 2021.

On 19 February 2021, the Company has completed the offer to purchase for cash of its outstanding 8.375% senior notes due 2021 (the “**8.375% Senior Notes Due 2021**”) of an aggregate of US\$141,209,000 in principal amount of the 8.375% Senior Notes Due 2021, representing approximately 29.39% of the total outstanding amount of the 8.375% Senior Notes Due 2021. Subsequently, the Company has repaid the aggregate amount of the 8.375% Senior Notes Due 2021 remained outstanding thereafter upon its maturity on 8 March 2021.

On 2 March 2021, the Company issued senior notes due 2024 with principal amount of US\$250,000,000 at a coupon rate of 10.875% per annum (the “**10.875% Senior Notes due 2024**”) for the purpose of refinancing certain of its indebtedness. Details of the 10.875% Senior Notes due 2024 are disclosed in the announcement of the Company dated 3 March 2024.

On 17 March 2021, the Company issued senior notes due 2023 with principal amount of US\$50,000,000 at a coupon rate of 14.5% per annum for the purpose of refinancing certain of its indebtedness.

On 1 June 2021, the Company has completed the offer to purchase for cash of its outstanding 7.375% senior notes due 2021 (the “**7.375% Senior Notes due 2021**”) of an aggregate of US\$100,000,000 in principal amount of the 7.375% Senior Notes due 2021. Subsequently, the Company has made another offer to purchase for cash of the outstanding 7.375% Senior Notes due 2021 on 17 June 2021 and has settled the aggregate of US\$187,844,000 in principal amount of the 7.375% Senior Notes due 2021.

On 3 June 2021, the Company issued additional US\$100,000,000 11.875% senior notes due 2023, which was consolidated and form a single series with the US\$450,000,000 11.875% Senior Notes due 2023 issued by the Company on 1 June 2020 and 10 February 2021, for the purpose of refinancing certain of its indebtedness.

On 16 June 2021, the Company issued senior notes due 2024 with principal amount of US\$200,000,000 at a coupon rate of 14.5% per annum (the “**14.5% Senior Notes due 2024**”) for the purpose of refinancing certain of its indebtedness.

During the six months period ended 30 June 2021, the Company has made on-market repurchases of parts of its senior notes in an aggregated principal amount of US\$50.1 million, comprising: (i) part of the outstanding 10.875% Senior Notes due 2023 in an aggregate principal amount of US\$3,200,000 representing approximately 0.71% of the 10.875% Senior Notes due 2023 at the time of initial listing; (ii) part of the outstanding 11.875% senior notes due 2023 in an aggregate principal amount of US\$7,000,000 representing approximately 1.27% of the 11.875% senior notes due 2023 at the time of initial listing; (iii) part of the outstanding July 2023 Notes in an aggregate principal amount of US\$6,500,000 representing approximately 1.86% of the July 2023 Notes at the time of initial listing; (iv) part of the outstanding October 2023 Notes in an aggregate principal amount of US\$15,000,000 representing approximately 4.69% of the October 2023 Notes at the time of initial listing; and (v) part of the outstanding March 2024 Notes in an aggregate principal amount of US\$18,400,000 representing approximately 7.36% of the March 2024 Notes at the time of initial listing (collectively the “**Repurchased Notes**”). The Repurchased Notes have been cancelled on 30 June 2021. Details please refer to the Company’s announcement dated 7 July 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2021.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnfantasia.com). The 2021 interim report containing all the information required by the Listing Rules will be available at the aforementioned websites and will be dispatched to the Company's shareholders thereafter in due course.

ACKNOWLEDGEMENT

In times of vigorous ups and downs in the real estate market, the Company is persistently pursuing greater business objectives for a win-win ecosystems. The Group hereby wishes to express its sincere gratitude to all its stakeholders for their support to create greater value for the Group. Last but not least, the Group would also like to extend our gratitude to all the customers, employees, partners and shareholders for their efforts and support to the Group along the road.

By order of the Board
Fantasia Holdings Group Co., Limited
Pan Jun
Chairman and Executive Director

Hong Kong, 25 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhang Huiming and Mr. Chen Xinyu, the non-executive director of the Company is Mr. Liao Qian, and the independent non-executive directors of the Company are Mr. Ho Man, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu.