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## Datang Group Holdings Limited

### 大唐集團控股有限公司

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

**(Stock Code: 2117)**

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **FINANCIAL HIGHLIGHTS**

- The contracted sales amount was approximately RMB25.51 billion, and the contracted sales area was approximately 2.491 million sq.m..
- Revenue amounted to RMB3.31 billion, increased by 85.2% compared to the same period of 2020.
- Gross profit and gross profit margin were RMB1.02 billion and 31.0%, respectively.
- Net profit amounted to RMB217.0 million, increased by 141.2% compared to the same period of 2020.
- Net profit attributable to the owners of the Company was RMB244.4 million, increased by 234.8% compared to the same period of 2020.
- As of 30 June 2021, the net gearing ratio was 47.7%, and the cash-to-current borrowings ratio was 1.2. The Group had sufficient cash on hand of approximately RMB7.98 billion.
- The land bank is abundant with the total GFA of 22.00 million sq.m. as at 30 June 2021; the newly acquired GFA was 2.93 million sq.m. for the six months ended 30 June 2021. The land bank newly acquired in the first half of the year is mainly located at the Yangtze River Delta and Chengdu and Chongqing districts with land bank structure continuously optimising.
- The Board has resolved not to declare an interim dividend for the six months ended 30 June 2021 (2020: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Datang Group Holdings Limited (the “**Company**”) is pleased to announce the interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months period ended 30 June 2021 (the “**Period**”).

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2021	2020
	Note	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Revenues</b>	5	<b>3,306,534</b>	1,785,418
Cost of sales	6	<u>(2,282,597)</u>	<u>(1,368,970)</u>
<b>Gross profit</b>		<b>1,023,937</b>	416,448
Selling and marketing costs	6	(197,883)	(80,827)
Administrative expenses	6	(280,302)	(179,225)
Net (impairment losses)/reversal of impairment losses on financial assets and contract assets		(5,550)	5,239
Other income		19,568	24,102
Other expenses		(4,826)	(2,341)
Other gains-net	7	<u>29,218</u>	<u>36,549</u>
<b>Operating profit</b>		<b>584,162</b>	219,945
Finance income	8	16,442	15,116
Finance costs	8	<u>(44,788)</u>	<u>(21,808)</u>
Finance costs - net	8	(28,346)	(6,692)
Share of results of joint ventures and associates		<u>(41,556)</u>	<u>(31,834)</u>
<b>Profit before income tax</b>		<b>514,260</b>	181,419
Income tax expenses	9	<u>(297,211)</u>	<u>(91,448)</u>
<b>Profit and total comprehensive income for the period</b>		<u><b>217,049</b></u>	<u>89,971</u>
<b>Profit attributable to:</b>			
– Owners of the Company		244,370	72,987
– Non-controlling interests		<u>(27,321)</u>	<u>16,984</u>
		<u><b>217,049</b></u>	<u>89,971</u>
<b>Earnings per share (expressed in RMB per share)</b>			
– Basic	11	<u><b>0.18</b></u>	<u>0.07</u>
– Diluted	11	<u><b>0.16</b></u>	<u>0.07</u>

## CONDENSED CONSOLIDATED BALANCE SHEET

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		749,076	741,255
Investment properties		1,472,170	1,566,730
Intangible assets		13,481	15,310
Right-of-use assets		158,793	169,640
Properties under development		14,140	14,140
Investments accounted for using the equity method		5,828,586	4,768,998
Financial assets at fair value through profit or loss		219,479	217,841
Deferred income tax assets	9	912,388	804,192
		<u>9,368,113</u>	<u>8,298,106</u>
<b>Current assets</b>			
Inventories		1,610	1,214
Properties under development		29,358,608	23,429,576
Completed properties held for sale		2,509,382	2,134,716
Contract assets and contract acquisition costs		652,831	438,332
Trade and other receivables	12	9,340,716	6,721,652
Prepaid income taxes		445,540	571,369
Cash and bank deposits		7,983,330	5,660,333
		<u>50,292,017</u>	<u>38,957,192</u>
<b>Total assets</b>		<u><b>59,660,130</b></u>	<u><b>47,255,298</b></u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	89,164	87,216
Share premium	15	1,645,296	1,677,903
Other reserves		1,160,197	1,147,588
Retained earnings		2,231,835	1,987,465
		<u>5,126,492</u>	<u>4,900,172</u>
<b>Non-controlling interests</b>		<u><b>4,194,150</b></u>	<u><b>3,021,806</b></u>
<b>Total equity</b>		<u><b>9,320,642</b></u>	<u><b>7,921,978</b></u>

		<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	<b>As at 31 December 2020 RMB'000 (Audited)</b>
	<i>Note</i>		
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	14	7,538,444	7,647,463
Lease liabilities		128,076	133,954
Deferred income tax liabilities	9	<u>1,259,925</u>	<u>1,217,226</u>
		<u>8,926,445</u>	<u>8,998,643</u>
<b>Current liabilities</b>			
Trade and other payables	13	18,363,912	14,581,655
Contract liabilities		16,890,190	11,694,527
Borrowings	14	4,891,130	2,666,675
Lease liabilities		10,633	9,256
Current income tax liabilities		<u>1,257,178</u>	<u>1,382,564</u>
		<u>41,413,043</u>	<u>30,334,677</u>
<b>Total liabilities</b>		<u>50,339,488</u>	<u>39,333,320</u>
<b>Total equity and liabilities</b>		<u><u>59,660,130</u></u>	<u><u>47,255,298</u></u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

Datang Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 December 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 consolidated and revised). The address of the Company’s registered office and the principal place of business are respectively located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and Block 1, Hongqiao Jiahui, lane 928, Shenhong road, Minhang district, Shanghai, China.

The Company is engaged in investment holding. The Company and its subsidiaries (collectively the “**Group**”) are primarily engaged in property development business in the People’s Republic of China (the “**PRC**”). The ultimate holding company of the Company is Good First Holding Limited (“**Good First BVI**”) which is incorporated in the British Virgin Islands (“**BVI**”) and controlled by Ms. WONG Hei, the ultimate controlling shareholder (the “**Ultimate Controlling Shareholder**”).

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (“**the Hong Kong Stock Exchange**”) since 11 December 2020 (the “**Listing**”).

The interim financial information is presented in Renminbi (“**RMB**”), unless otherwise stated, and has been approved for issue by the Board of Directors on 26 August 2021. This interim financial information has not been audited.

### 2 BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

This interim financial information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2020 (the “**2020 Financial Statements**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the HKICPA and disclosure requirements under the Hong Kong Companies Ordinance Cap. 622.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

#### (a) New and amended standard adopted by the group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### (b) New, revised and amendments not yet effective and not being early adopted

		Effective for annual periods beginning on or after
Amendment to HKFRS 16	Covid-19 related rent concessions beyond 30 June 2021	1 April 2021
Amendment to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Cost of fulfilling a contract	1 January 2022
Annual improvement project	Annual improvements 2018-2020 Cycle	1 January 2022
Accounting Guideline 5 (Revised)	Merger accounting for common control combinations	1 January 2022
HK Interpretation 5	Presentation of financial statements - classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1	Classification for liabilities as current or non-current	1 January 2023
Amendments to HKAS 1	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is currently assessing the potential impact of these standards and amendments but expects their adoption will not have a significant effect on the Group's consolidated financial statements.

### 4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision-maker ("CODM").

The Group is principally engaged in property development business in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

All the Group's revenue is derived in the PRC during the period ended 30 June 2021 and the Group's non-current assets were all located in the PRC. No geographical information is therefore presented.

## 5 REVENUE

The following table presents information and analysis regarding the Group's revenue for the six months ended 30 June 2021 and 2020.

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Sales of properties	<b>2,943,641</b>	1,583,861
Provision of construction services	<b>174,555</b>	127,500
Rental income	<b>56,103</b>	21,764
Provision of hotel services	<b>30,072</b>	11,636
Others	<b>102,163</b>	40,657
	<b><u>3,306,534</u></b>	<b><u>1,785,418</u></b>
Represented by:		
<b>Revenue from contracts with customers</b>		
Sales of properties		
– Recognised at a point in time	<b><u>2,943,641</u></b>	<u>1,583,861</u>
<b>Provision of construction, hotel and other services</b>		
– Recognised at a point in time	<b>23,106</b>	18,072
– Recognised over time	<b><u>283,684</u></b>	<u>161,721</u>
	<b><u>306,790</u></b>	<u>179,793</u>
<b>Revenue from other sources</b>		
– Rental income	<b><u>56,103</u></b>	<u>21,764</u>
	<b><u>3,306,534</u></b>	<b><u>1,785,418</u></b>

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenues during the six months ended 30 June 2021 and 2020.

## 6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Cost of properties sold – including construction costs, land and capitalised interest expenses	<b>2,087,670</b>	1,226,189
Cost of construction services	<b>165,827</b>	121,429
Other taxes and other levies	<b>22,230</b>	20,024
Advertising costs	<b>27,645</b>	16,838
Employee benefit expenses	<b>226,194</b>	123,083
Entertainment expenses	<b>17,774</b>	12,461
Office and travelling expenses	<b>22,919</b>	11,064
Depreciation of		
– Property, plant and equipment	<b>39,042</b>	38,603
– Right-of-use assets	<b>10,847</b>	1,117
Amortisation of		
– Costs for obtaining contracts	<b>46,711</b>	11,031
– Intangible assets	<b>2,909</b>	3,279
Property management expenses	<b>28,671</b>	17,855
Maintenance costs	<b>1,889</b>	3,665
Professional service expenses	<b>51,678</b>	9,515
Auditor's remuneration		
– Interim review services	<b>1,000</b>	–
Listing expenses	<b>–</b>	8,888
Short-term lease payments	<b>3,357</b>	1,936
Other expenses	<b>4,419</b>	2,045
	<b><u>2,760,782</u></b>	<b><u>1,629,022</u></b>
Total cost of sales, selling and marketing costs and administrative expenses		



## 7 OTHER GAINS - NET

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Fair value gains on investment properties	27,834	31,780
Fair value gains of financial assets at fair value through profit or loss	1,638	7,141
Gain on disposal of a subsidiary	1,038	–
Net foreign exchange (losses)/gains	(2,419)	45
Net gains/(losses) on disposals of property, plant and equipment	11	(226)
Loss on de-registration of an associate	–	(2,099)
Others	1,116	(92)
	<u>29,218</u>	<u>36,549</u>

## 8 FINANCE COSTS - NET

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Finance income:		
– Interest income from bank deposits	<u>(16,442)</u>	<u>(15,116)</u>
Finance costs:		
– Interest expenses on borrowings (a)	619,339	367,557
Less:		
– Interests capitalised	<u>(598,347)</u>	<u>(345,985)</u>
	20,992	21,572
– Interest expenses on lease liabilities	4,848	236
– Net foreign exchange losses on financing activities	<u>18,948</u>	<u>–</u>
	<u>44,788</u>	<u>21,808</u>
<b>Finance costs - net</b>	<u><b>28,346</b></u>	<u><b>6,692</b></u>

### (a) Capitalised borrowing costs

The capitalisation rate of borrowings for the six months ended 30 June 2021 was 7.97% per annum (six months ended 2020: 8.27% per annum).

## 9 INCOME TAX EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax		
– PRC corporate income tax	152,477	16,112
– PRC land appreciation tax (“LAT”)	<u>204,282</u>	<u>41,910</u>
	356,759	58,022
Deferred income tax		
– PRC corporate income tax	<u>(59,548)</u>	<u>33,426</u>
	<u><u>297,211</u></u>	<u><u>91,448</u></u>

### (a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profit in Hong Kong for the six months ended 30 June 2021 (2020: Nil).

### (b) PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to entities of the Group located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “CIT Law”).

### (c) LAT

Income from the sale or transfer of land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

### (d) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law and, is exempted from Cayman Islands income tax.

**(e) PRC dividend withholding income tax**

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to a withholding income tax of 10%. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treat arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as they do not have a plan to distribute these earnings out of Mainland China in the foreseeable future.

**(f) Income tax**

Income tax expenses are recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

**10 DIVIDENDS**

The Board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2021 (2020: Nil).

The final dividend in respect of the year ended 31 December 2020 of RMB11 cents per ordinary share, totalling RMB149,990,000, had been paid in July 2021.

**11 EARNINGS PER SHARE**

**(a) Basic**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

On 11 December 2020, the Company capitalised an amount of RMB65,340,000 standing to the credit of the share premium account of the Company ("**Capitalisation Issue**"), by applying such sum in paying up in full at par 999,000,000 shares for issue and allotment to the existing shareholders of the Company before the Listing in proportion to their respective shareholdings in the Company.

As a result of the Capitalisation Issue , the basic and diluted earnings per share for the six months ended 30 June 2020 have been restated to take into account the effect of the Capitalisation Issue on the weighted average number of ordinary shares in issue.

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u><b>244,370</b></u>	<u>72,987</u>
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u><b>1,362,711</b></u>	<u>1,000,000</u>
Earnings per share – Basic ( <i>RMB</i> )	<u><b>0.18</b></u>	<u>0.07</u>

**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Restricted shares granted to employees under the Group's share incentive scheme are considered to be potential ordinary shares. For the restricted shares, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding restricted shares.

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u><b>244,370</b></u>	<u>72,987</u>
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u><b>1,362,711</b></u>	<u>1,000,000</u>
Adjustments for restricted shares ( <i>'000</i> )	<u><b>120,093</b></u>	<u>65,610</u>
Weighted average number of ordinary shares for diluted earnings per share ( <i>'000</i> )	<u><b>1,482,804</b></u>	<u>1,065,610</u>
Diluted earnings per share – ( <i>RMB</i> )	<u><b>0.16</b></u>	<u>0.07</u>

## 12 TRADE AND OTHER RECEIVABLES

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Trade receivables (a)		
– Related parties	7,349	3,164
– Third parties	<u>43,477</u>	<u>34,396</u>
	50,826	37,560
Less: allowance for impairment	<u>(4,329)</u>	<u>(1,726)</u>
	<u>46,497</u>	<u>35,834</u>
Other receivables		
– Note receivables	3,011	2,010
– Amounts due from related parties	1,791,266	1,175,714
– Amounts due from non-controlling interests	5,208,253	3,392,404
– Prepayment of land and deposits for land auction	793,180	305,340
– Construction deposits	224,944	87,582
– Amounts due from governments for amounts paid on behalf	233,838	69,828
– Others	<u>118,306</u>	<u>105,282</u>
	8,372,798	5,138,160
Less: allowance for impairment	<u>(25,330)</u>	<u>(22,613)</u>
	<u>8,347,468</u>	<u>5,115,547</u>
Prepayments		
– For acquisitions of land	68,848	1,003,629
– For construction costs and construction materials	13,616	76,568
– For value-added and other taxes	<u>864,287</u>	<u>490,074</u>
	<u>946,751</u>	<u>1,570,271</u>
Total trade and other receivables	<u><u>9,340,716</u></u>	<u><u>6,721,652</u></u>

- (a) Trade receivables are mainly arisen from sales of properties and provision of construction services. Trade receivables in respect of sale of properties and provision of construction services are settled in accordance with the terms stipulated in the sales contracts.

The aging analysis of trade receivables based on invoice date was as follows:

	As at <b>30 June</b> <b>2021</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2020 <i>RMB'000</i> (Audited)
Within 90 days	<b>24,956</b>	18,031
91 – 180 days	<b>7,428</b>	1,051
181 – 365 days	<b>1,534</b>	3,210
Over 365 days	<u><b>16,908</b></u>	<u>15,268</u>
	<u><b>50,826</b></u>	<u>37,560</u>

- (b) The Group's trade receivables were all denominated in RMB, unsecured, repayable in accordance with terms stipulated in the sales contracts and interest-free.

The Group's other receivables were all denominated in RMB, unsecured, repayable on demand and interest-free.

### 13 TRADE AND OTHER PAYABLES

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Trade payables		
– Related parties	16,618	24,002
– Non-controlling interests	218,080	387,528
– Third parties	2,807,809	2,854,188
– Notes payable	388,511	98,489
	<u>3,431,018</u>	<u>3,364,207</u>
Amounts due to related parties	8,948,685	6,746,015
Amounts due to non-controlling interests	3,470,788	2,312,216
Construction guarantee deposits received	266,591	368,170
Dividend payable	149,990	–
Accrued payroll	54,103	139,924
Other taxes payables	1,452,694	1,006,524
Interest payables	42,551	39,747
Others	547,492	604,852
	<u>14,932,894</u>	<u>11,217,448</u>
	<u>18,363,912</u>	<u>14,581,655</u>

Amounts due to non-controlling interests are unsecured, repayable on demand, denominated in RMB and interest-free.

The aging analysis of the trade payables based on invoice date is as follows:

	As at <b>30 June</b> <b>2021</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Within 90 days	2,593,386	2,379,388
91 – 180 days	256,325	309,780
181 – 365 days	252,316	271,922
Over 365 days	<u>328,991</u>	<u>403,117</u>
	<u><b>3,431,018</b></u>	<u><b>3,364,207</b></u>

## 14 BORROWINGS

	As at <b>30 June</b> <b>2021</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
<b>Non-current</b>		
Bank borrowings – secured/guaranteed	7,479,178	6,439,838
Other borrowings – secured/guaranteed (b)	<u>2,512,400</u>	<u>3,459,300</u>
	9,991,578	9,899,138
Less: current portion of non-current borrowings	<u>(2,453,134)</u>	<u>(2,251,675)</u>
	<u><b>7,538,444</b></u>	<u><b>7,647,463</b></u>
<b>Current</b>		
Bank borrowings – secured/guaranteed	200,000	100,000
Senior notes (a)	1,925,996	-
Other borrowings – secured/guaranteed (b)	312,000	315,000
Current portion of non-current borrowings	<u>2,453,134</u>	<u>2,251,675</u>
	<u><b>4,891,130</b></u>	<u><b>2,666,675</b></u>
Total borrowings	<u><b>12,429,574</b></u>	<u><b>10,314,138</b></u>



- (a) On 7 June 2021, the Group issued US\$300,000,000 12.5% senior notes which are listed on the Hong Kong Stock Exchange. The notes are unsecured, will mature in June 2022 and are repayable at its nominal value. The senior notes are guaranteed by certain wholly-owned subsidiaries of the Company. The Group may redeem all or a portion of the note at the redemption prices specified in the offering circular after the drawdown date, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular. The senior notes are repayable within 12 months and classified as current liability.
- (b) Certain subsidiaries in the PRC have entered into funding arrangements with trust companies, securities companies and assets management companies, pursuant to which these financial institutions raised funds and provided the proceeds, directly or through entrusted banks, to the Group. Certain equity interests of subsidiaries were held in the name of the financial institutions as collateral for which the Group is obligated to repurchase at predetermined prices. These borrowings bear fixed or floating interest rates and have fixed repayment terms.
- (c) The Group's borrowings were repayable as follows:

	As at <b>30 June</b> <b>2021</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Within 1 year	<b>4,891,130</b>	2,666,675
Between 1 and 2 years	<b>3,533,419</b>	4,310,213
Between 2 and 5 years	<b>3,661,900</b>	3,122,000
Over 5 years	<b>343,125</b>	215,250
	<b><u>12,429,574</u></b>	<b><u>10,314,138</u></b>

- (d) The weighted average effective interest rates were 7.99% per annum (2020: 8.27% per annum).
- (e) The fair value of borrowings approximate their carrying amount, as the impact of discounting is not significant.
- (f) The senior notes of the Group denominated in US dollar ("USD/US\$"), apart from this, the Group's borrowings are denominated in RMB.

## 15 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of US\$0.01 each	Equivalent nominal value of ordinary share RMB'000	Share premium RMB'000
Issued:			
Balance as at 1 January 2020	1,000,000	70	508,442
Share issued (a)	333,400,000	21,806	1,277,753
Share issuance costs	—	—	(42,952)
Capitalisation Issue (b)	999,000,000	65,340	(65,340)
Balance as at 31 December 2020 (Audited)	<u>1,333,400,000</u>	<u>87,216</u>	<u>1,677,903</u>
Balance as at 1 January 2021	1,333,400,000	87,216	1,677,903
Issuance of ordinary shares (c)	30,144,000	1,948	117,383
Dividends payable to shareholders	—	—	(149,990)
Balance as at 30 June 2021 (Unaudited)	<u>1,363,544,000</u>	<u>89,164</u>	<u>1,645,296</u>

- (a) On 11 December 2020, upon its Listing, the Company issued 333,400,000 new shares with par value US\$0.01 each at HK\$4.56 per share for a total cash consideration of HK\$1,520,304,000 (equivalent to approximately RMB1,299,559,000). The corresponding share capital amount was approximately RMB21,806,000 and share premium arising from the issuance was approximately RMB1,277,753,000.
- (b) Following the Listing on 11 December 2020, the Company capitalised an amount of RMB65,340,000 standing to the credit of the share premium account of the Company, by applying such sum in paying up in full at par 999,000,000 shares for issue and allotment to the existing shareholders of the Company before the Listing in proportion to their respective shareholdings in the Company.
- (c) On 6 January 2021, the Company issued 30,144,000 new shares at HK\$4.56 per share for a total cash consideration of HK\$135,384,640 (equivalent to approximately RMB119,331,000) due to exercise of over-allotment option by ICBC International Capital, the international underwriters of the Listing. The corresponding share capital amount was approximately RMB1,948,000 and share premium arising from the issuance was approximately RMB117,383,000.

## BUSINESS REVIEW

In the first half of 2021, in view of the complex and changeable domestic and foreign environment, the PRC government has taken preventive and control measures to effectively control the spread of the COVID-19 pandemic, and the domestic economy has recovered steadily. In the first half of the year, the gross domestic product (GDP) increased by 12.7% year-on-year. The resilience of economic development has appeared, and the overall development has shown a steady and positive trend. However, the global pandemic is not completely under control, there are many external instability and uncertainties, and the domestic economic recovery is not balanced. It is necessary to guard against the impact of internal and external risks.

From the perspective of the sales side, the vitality of the property market continued to recover in the first half of 2021, and the overall transactions in property market in the first half of the year were still at a historical high level. According to data from the National Bureau of Statistics, in the first half of the year, the commercial housing sales in the PRC reached approximately RMB9.3 trillion, and the sales area was approximately 890 million square metres (“sq.m.”), representing a year-on-year increase of 38.9% and 27.7%, respectively. Besides, urban differentiation continues to intensify.

From the perspective of land supply, the “Two Concentration (兩集中)” has become a turning point in the land market in the first half of 2021. According to the data from CRIC (克而瑞), transaction volume in the land market in the first half of the year has shrunk while the transaction price has risen. The total construction area of commercial land traded in 300 cities in the PRC was 900 million sq.m., representing a year-on-year decrease of 14%. Affected by the increase in the proportion of transactions in energy-level cities and the centralised transfer of high-quality land, the average land price reached RMB3,457 per sq.m., representing an increase of 29% year-on-year. In terms of city energy level, under the effect of the new policy of centralised land supply, the land transaction volume and transaction amount in first-tier cities both increased year-on-year. However, the transaction volume in second- and third-tier cities decreased 1% and 19% year-on-year, respectively.

Combining the market conditions of the land market and sales market in the first half of 2021, it is expected that the land market and residential market will be stable and city popularity will gradually stabilise in the second half of 2021. However, under the constraints of the “Three Red Lines (三道紅線)” and the concentration management of housing loan, the financial challenges and competitive pressures faced by real estate corporations may also increase.

## SALES PERFORMANCE

During the Period, the Group has achieved contracted sales of approximately RMB25.51 billion, and the contracted sales area of approximately 2.491 million sq.m. with the average price of approximately RMB10,240.

## **FINANCIAL POSITION**

In the first half of 2021, the Group has achieved a steady growth in operating income. During the Period, the Group achieved a revenue of approximately RMB3.31 billion, representing a year-on-year increase of approximately 85.2%; gross profit reached approximately RMB1.02 billion, representing a year-on-year increase of approximately 145.9%. While the performance has grown steadily, the Group's capital structure has also been significantly optimised. As of 30 June 2021, the Group's net debt ratio was 47.7%, and the cash on book amounted to RMB7.98 billion, reflecting that the Group has sufficient working capital and was in a healthy financial position.

## **CREDIT RATING**

In view of the steady operating and financial performance, the Group obtained long-term credit ratings from various credit rating agencies for the first time. Moody's has assigned the Group a credit rating of "B2" with stable outlook. Standard & Poor has assigned the Group a credit rating of "B" with stable outlook.

## **GEOGRAPHICAL LAYOUT STRATEGY**

The Group followed the geographical layout of "2+1+X", which focused on Beibu Gulf Region, consolidated existing layout in the urban agglomerations of the Western Taiwan Strait Economic Region, and established a relatively stable scale advantage. Meanwhile, the Group seized the opportunity of relocating our headquarters to Shanghai, by taking root quickly in the Yangtze River Delta region, as well as successively entered into core cities with economic vitality. We have strengthened strategic cooperation with leading companies in the industry, all of which will lay a solid foundation for the Group to become a national comprehensive real estate corporation.

## LAND BANK

In the first half of 2021, the Group prudently determined to adopt land acquisition methods such as public bidding, auction and listing, and joint ventures, a total of 19 high-quality land parcels were obtained by the Group, with a total planned gross floor area (“GFA”) of approximately 2.93 million sq.m., the total land bank maintained steady growth. As of 30 June 2021, the total GFA of the Group’s land bank was approximately 22.00 million sq.m., among which the total GFA of properties under development was approximately 20.99 million sq.m., the total GFA of completed but undelivered properties was approximately 0.85 million sq.m., and the rentable GFA for property investment was approximately 0.16 million sq.m..

The details of land acquired by the Group are as below:

City	Name of project	Actual/ expected completion year	Site area (sq.m.)	Completed but undelivered GFA (sq.m.)	GFA held for property investment (sq.m.)	Total GFA under development (sq.m.)	Total GFA (sq.m.)	Interest held by the Group
Changzhou	Yuhu Shangguan Garden	2022	58,093	–	–	138,699	138,699	26%
Changzhou	Dynasty Zhongnan Shangyuecheng	2022	53,338	–	–	140,126	140,126	36%
Chengdu	Qionglai Jiuyue Lanwan	2023	68,901	–	–	232,951	232,951	40%
Chengdu	Tianyue Royalty	2023	58,066	–	–	192,341	192,341	26%
Chengdu	Boyue Royalty	2023	37,395	–	–	106,410	106,410	34%
Chengdu	Yulan Royalty	2024	40,812	–	–	118,801	118,801	34%
Chengdu	Chongzhou Jinxiu Royalty	2024	39,772	–	–	125,923	125,923	50%
Fuzhou	Dynasty Shuxiang Yazhu	2022	54,189	–	–	178,821	178,821	100%
Fuzhou	Pukou Dynasty Royalty	2022	15,954	–	–	53,597	53,597	80%
Fuzhou	Longjiang Jiujin Pavilion	2023	113,059	–	–	373,011	373,011	33%
Fuzhou	Yurong Impression	2023	25,835	–	–	86,317	86,317	52%
Fuzhou	CDC Dynasty Yangyun	2023	26,027	–	–	83,951	83,951	40%
Guigang	Guigang Dynasty Royalty	2022	42,054	–	–	192,319	192,319	63%
Guigang	Guigang Yating	2024	45,229	–	–	178,874	178,874	26%
Guigang	Guigang Chenguang	2024	32,760	–	–	168,846	168,846	34%
Jiangyin	Lanyue Yayuan	2023	47,112	–	–	130,519	130,519	33%
Kunming	Dynasty Meiquan Royalty	2024	43,271	–	–	183,130	183,130	61%
Kunming	Tianyu Smart City	2025	138,601	–	–	517,878	517,878	20%
Liuzhou	Liuzhou Dynasty Mansion	2024	74,989	–	–	284,138	284,138	51%
Liuzhou	Dynasty Biyuan West Garden	2022	56,797	–	–	193,771	193,771	100%
Liuzhou	Dynasty Biyuan East Garden	2024	45,246	–	–	163,693	163,693	100%
Longyan	Royalty Wen yuan	2022	26,197	–	–	79,996	79,996	33%
Longyan	Royalty Wangyue Garden	2023	27,903	–	–	101,450	101,450	18%
Longyan	Zhiyuan Emerald County	2023	17,873	–	–	52,917	52,917	30%
Nanchang	Shanhuyin	2024	41,849	–	–	137,872	137,872	34%

City	Name of project	Actual/ expected completion year	Site area (sq.m.)	Completed		Total GFA under development (sq.m.)	Total GFA (sq.m.)	Interest held by the Group
				but undelivered GFA (sq.m.)	GFA held for property investment (sq.m.)			
Nanjing	23 acres of residences in the south of Tongpan Road, Jiangbei New District, Nanjing	2023	15,324	–	–	52,096	52,096	51%
Nanning	Dynasty Zhongnan Ziyun Impression	2025	50,128	–	–	278,356	278,356	25%
Nanning	Wuxiang Lanting Mansion	2023	159,991	–	–	897,092	897,092	33%
Nanning	Yango Dynasty Tanjing	2024	177,954	–	–	858,400	858,400	41%
Nanning	Wuxiang Huguang Institution	2024	65,007	–	–	326,083	326,083	20%
Nanning	Yango Dynasty Royalty	2023	37,047	–	–	209,083	209,083	49%
Nanning	Impression Discovery Bay	2022	111,138	–	–	614,237	614,237	16%
Nanning	Jinjiu Royalty	2021	68,401	–	–	376,204	376,204	25%
Nanning	Tanfu Impression	2022	137,811	198,125	–	434,251	632,376	30%
Nanning	87 acres on Yangfeng Road	2024	57,875	–	–	280,745	280,745	51%
Nanning	Xingning Dynasty Impression	2021	95,750	89,712	–	–	89,712	40%
Nanning	Shengshi Jinyue	2022	25,266	–	–	102,415	102,415	24%
Nanning	Anji Dynasty Royalty	2022	27,962	–	–	142,544	142,544	70%
Nanning	Anji Dynasty Royalty Phase II	2023	9,170	–	–	57,936	57,936	70%
Nanning	Dynasty Tiancheng Phase III	2021	19,141	–	–	179,984	179,984	100%
Nanning	Dynasty Tiancheng Phases I & II	2019	25,027	6,434	67,846	–	74,280	100%
Nanning	Dynasty Tianyue	2021	28,320	–	–	128,510	128,510	56%
Nanning	Nanning Jinxiu Royalty	2023	23,565	–	–	95,078	95,078	56%
Nanning	Yunxitai	2022	20,014	–	–	68,615	68,615	23%
Nanning	Dynasty Zhenguan	2022	45,582	5,002	–	184,702	189,704	85%
Nanning	Shengshi Chunjiang	2024	52,774	–	–	222,823	222,823	17%
Nanning	Xi'an Royalty	2023	29,499	–	–	139,707	139,707	33%
Nanning	Binjiang Jinwan	2023	36,039	–	–	176,231	176,231	34%
Nanning	Dynasty Shengshi Xuhui Mansion	2023	25,405	–	–	105,195	105,195	51%
Nanning	Dynasty Shengshi Phase III	2021	87,047	128,378	–	–	128,378	100%
Nanning	Shenghu Yuejing	2021	90,929	–	–	342,918	342,918	26%
Nanning	Wuxiang BMA Center	2024	62,745	–	–	253,852	253,852	10%
Nanning	Zhenyuan	2025	91,849	–	–	480,181	480,181	39%
Nanning	Wuxiang Dynasty Royalty	2023	29,137	–	–	127,929	127,929	51%
Nantong	Dynasty Zhongnan Yuehu	2022	60,240	–	–	97,455	97,455	55%
Nantong	Langyuan	2023	42,430	–	–	101,334	101,334	10%
Nantong	Shiji Yunchen	2024	73,942	–	–	185,434	185,434	20%
Ningbo	Feng Lan Di	2022	24,387	–	–	61,885	61,885	35%
Ningbo	Chenyue Royalty	2022	38,013	–	–	113,151	113,151	51%
Ningbo	Jiuyun Mansion	2023	37,177	–	–	87,215	87,215	12%
Ningbo	Jiuyuci County	2023	49,511	–	–	120,238	120,238	40%

City	Name of project	Actual/ expected completion year	Site area (sq.m.)	Completed		Total GFA under development (sq.m.)	Total GFA (sq.m.)	Interest held by the Group
				but undelivered GFA (sq.m.)	GFA held for property investment (sq.m.)			
Ningbo	Fei Li He Ming	2024	74,965	–	–	216,415	216,415	40%
Ningde	Ningde Dynasty Royalty	2025	19,409	–	–	55,532	55,532	55%
Putian	Putian Xiuyu Dynasty Royalty	2023	83,198	–	–	254,082	254,082	35%
Putian	Putian Yuhu Impression	2024	41,859	–	–	149,728	149,728	59%
Putian	Yuexiu Royalty	2023	53,647	–	–	151,840	151,840	40%
Putian	Huxin Mansion	2023	32,851	–	–	107,970	107,970	100%
Quanzhou	Shimao Yuncheng	2024	89,544	47,244	–	172,350	219,594	15%
Quanzhou	Jinjiang Dynasty Mansion	2023	66,781	–	–	216,116	216,116	60%
Quanzhou	Spring Impression	2022	29,253	–	–	114,482	114,482	45%
Quanzhou	Hui'an Julong Guofeng	2024	102,427	–	–	271,768	271,768	10%
Sanming	Shaxian Yunzhu	2023	53,688	–	–	123,361	123,361	40%
Xiamen	Tong'an Shuiyunjian	2021	15,000	48,132	–	–	48,132	100%
Xiamen	Dynasty Hotel	2022	16,850	–	–	64,320	64,320	100%
Xiamen	Dynasty Centre	2024	93,166	–	38,131	27,918	66,049	100%
Suining	No. 1 Yard, Suining Zhongliang	2022	48,282	–	–	98,083	98,083	40%
Taizhou	Chuangshi Mingdi	2022	32,862	–	–	101,629	101,629	49%
Taicang	Huayu Jingan	2023	41,329	–	–	115,995	115,995	20%
Tianjin	Vision Commercial Square	2023	74,081	3,121	–	117,117	120,238	30%
Tianjin	Tangsheng Yayuan	2021	37,508	–	–	344,747	344,747	100%
Tianjin	Tangxi Yayuan	2022	7,638	–	–	134,849	134,849	100%
Tianjin	Tangyun Yayuan	2024	16,896	–	–	321,638	321,638	100%
Wenzhou	Xingyue Mingzhu	2023	26,686	–	–	84,154	84,154	35%
Wenzhou	Cuican Tianrui	2024	42,634	–	–	121,305	121,305	41%
Yibin	Jinke Town	2024	184,590	–	–	622,046	622,046	40%
Yueyang	Yueyang Dynasty Royalty Phases I, II & III	2023	122,085	–	–	405,178	405,178	100%
Yueyang	Yueyang Dynasty Royalty Phases IV & V	2023	124,892	–	–	405,227	405,227	100%
Zhangjiagang	Tangyue Royalty	2023	44,599	–	–	130,974	130,974	35%
Zhangzhou	Dynasty Jinxiu Royalty	2021	48,278	–	–	139,310	139,310	70%
Zhangzhou	Jiangshang Tianjing	2021	23,861	–	–	99,323	99,323	30%
Zhangzhou	Zhangzhou Dynasty Chunfengli	2021	41,073	–	–	140,193	140,193	51%
Zhangzhou	Dynasty Sanmu Impression West Lake	2023	17,659	–	–	69,115	69,115	49%
Zhangzhou	Yango Dynasty Feili Impression	2024	83,810	–	–	269,677	269,677	50%
Zhangzhou	Jiaomei Dynasty Royalty	2022	41,558	–	–	172,965	172,965	67%
Zhangzhou	Zhangzhou Dynasty Chunfengli Phase II	2021	61,896	–	–	213,115	213,115	60%
Zhangzhou	Tianlai Town Phase I	2024	73,607	–	–	91,444	91,444	70%

City	Name of project	Actual/ expected completion year	Site area (sq.m.)	Completed but undelivered GFA (sq.m.)	GFA held for property investment (sq.m.)	Total GFA under development (sq.m.)	Total GFA (sq.m.)	Interest held by the Group
Changsha	Dynasty Impression-Yuxi	2021	81,362	–	–	189,855	189,855	100%
Changsha	Hanlin House	2024	143,193	–	–	434,791	434,791	35%
Changsha	Hantang Royalty	2023	240,004	–	–	610,202	610,202	49%
Chongqing	Boyun Mansion	2022	63,610	–	–	140,638	140,638	30%
Chongqing	Xichen Yijing	2022	42,170	–	–	87,150	87,150	31%
Chongqing	Hanlin Tianchen	2023	90,075	–	–	185,044	185,044	30%
Chongqing	Jiuzhu Tianchen	2023	136,328	–	–	293,345	293,345	33%
Chongqing	Peak Collar Vientiane	2024	67,121	–	–	139,496	139,496	17%
Chongqing	Xiaofeng Jiangnan (71)	2023	47,039	–	–	95,238	95,238	10%
Chongqing	Xiaofeng Jiangnan (141)	2024	94,061	–	–	253,150	253,150	10%
	Other projects	N/A	N/A	<u>312,226</u>	<u>53,834</u>	<u>253,947</u>	<u>620,008</u>	N/A
				<u><u>852,100</u></u>	<u><u>159,811</u></u>	<u><u>20,984,434</u></u>	<u><u>21,996,345</u></u>	

## Investment and Operation of Commercial Properties

During the Period, the Group recorded a rental income of approximately RMB56.1 million, representing an increase of 157.8% compared to the same period of 2020. The increase was mainly attributable to the improvement of performance of commercial operations.

## Hotel Operation

During the Period, the Group recorded a revenue from hotel operation of approximately RMB30.1 million, representing an increase of 158.4% compared to the same period of last year. The increase was mainly attributable to the improvement in business performance of hotel.



## **FINANCIAL REVIEW**

### **1. Revenue**

During the Period, the Group's revenue amounted to approximately RMB3,306.5 million, representing an increase of 85.2% from approximately RMB1,785.4 million of the corresponding period last year. The revenue mainly included income generated from property sales, provision of construction services, commercial property investment and operations and hotel operations. In particular, revenue from (i) property sales amounted to approximately RMB2,943.6 million, representing an increase of 85.9% as compared with the corresponding period last year; (ii) provision of construction services amounted to RMB174.6 million, representing an increase of 36.9% as compared with the corresponding period last year; (iii) commercial property investment and operations amounted to approximately RMB56.1 million, representing an increase of 157.8% as compared with the corresponding period last year; and (iv) hotel operations amounted to approximately RMB30.1 million, representing an increase of 158.4% as compared with the corresponding period last year.

### **2. Cost of Sales**

During the Period, the Group's cost of sales amounted to approximately RMB2,282.6 million, representing an increase of 66.7% from approximately RMB1,369.0 million for the corresponding period last year. The increase was mainly due to the increased number of projects delivered during the Period.

### **3. Gross Profit and Gross Profit Margin**

During the Period, the Group's gross profit was approximately RMB1,023.9 million, representing an increase of 145.9% from approximately RMB416.4 million for the corresponding period last year. Such increase was primarily attributable to the increased number of projects delivered during the Period. The gross profit margin for the Period increased to 31.0% from 23.3% for the same period of 2020, which was mainly due to the delivery of several projects with higher gross profit margin in 2021.

### **4. Selling and Marketing Costs**

During the Period, the Group's selling and marketing costs amounted to approximately RMB197.9 million, representing an increase of 144.8% from approximately RMB80.8 million for the corresponding period last year. Such increase was due to launch of new property projects of the Group for presale in 2021.

## **5. Administrative Expenses**

During the Period, the Group's administrative expenses amounted to approximately RMB280.3 million, representing an increase of 56.4% from approximately RMB179.2 million for the corresponding period last year. Such increase was mainly due to the business expansion of the Group.

## **6. Share of Results of Joint Ventures and Associates**

During the Period, the Group's share of losses of joint ventures and associates amounted to approximately RMB41.6 million, representing an increase of 30.5% from the share of losses of joint ventures and associates of approximately RMB31.8 million for the corresponding period last year. Such loss was attributable to the profit yet to be carried forward during the early development stage in respect of several cooperation projects under progress.

## **7. Finance Costs**

During the Period, the Group's finance costs charged amounted to approximately RMB28.3 million, representing an increase of 323.6% from approximately RMB6.7 million for the corresponding period last year. Such change in finance costs was mainly attributable to the increase in borrowings due to the land acquisition and property development expansion of the Group during the reporting period.

## **8. Income Tax Expenses**

During the Period, the Group's income tax expenses amounted to RMB297.2 million, representing an increase of 225.0% from approximately RMB91.4 million for the corresponding period last year. The Group's income tax expenses included the provision for the corporate income tax and land appreciation tax during the Period. The change in income tax expenses was mainly due to the corresponding increase in the corporate income tax and land appreciation tax due to the delivery of products with higher gross profit margin during the Period.

## **9. Profit**

As a result of the foregoing, the Group's profit increased by 141.2% to approximately RMB217.0 million for the Period from approximately RMB90.0 million of the corresponding period last year.

The net profit attributable to the owners of the Company increased by 234.8% to approximately RMB244.4 million for the Period from approximately RMB73.0 million of the corresponding period last year.

## **10. Foreign Currency Risk**

The Group primarily operates in the PRC and the majority of the Group's transactions were denominated and settled in RMB. Except for certain assets denominated and settled in USD and Hong Kong dollar ("HK\$") held by the Group, and senior notes denominated in USD, the Group has no other significant risks related to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce foreign currency risk. The Company does not engage in any hedging activities in relation to the foreign currency risk.

## **LIQUIDITY, FINANCE AND CAPITAL**

### **1. Cash Position**

As at 30 June 2021, the Group's cash and bank balances were approximately RMB7.98 billion (as at 31 December 2020: approximately RMB5.66 billion), of which, restricted bank deposits amounted to approximately RMB2.35 billion (as at 31 December 2020: approximately RMB2.20 billion).

### **2. Borrowings and Pledge of Assets**

As at 30 June 2021, the Group's total borrowings (including interest-bearing borrowings and senior notes) amounted to approximately RMB12.43 billion (as at 31 December 2020: approximately RMB10.31 billion), of which the interest-bearing borrowings amounted to approximately RMB10.50 billion (as at 31 December 2020: approximately RMB10.31 billion), the senior notes amounted to approximately RMB1.93 billion (as at 31 December 2020: Nil).

As at 30 June 2021, other than the borrowings amounting to US\$300.0 million (as at 31 December 2020: Nil) were denominated in USD, the balance of borrowings of the Group were denominated in RMB.

As at 30 June 2021, assets with an aggregate value of approximately RMB15,790.0 million (as at 31 December 2020: approximately RMB12,365.7 million) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

### **3. Gearing Ratio**

As at 30 June 2021, the Group's net gearing ratio<sup>1</sup> was approximately 47.7%, as compared with approximately 58.7% as at 31 December 2020. As at 30 June 2021, the Group's debt-to-asset ratio excluding advances from customers<sup>2</sup> was approximately 78.2% (as at 31 December 2020: approximately 77.7%). As at 30 June 2021, the Group's current ratio<sup>3</sup> was approximately 1.21 times (as at 31 December 2020: approximately 1.28 times).

As at 30 June 2021, cash to short-term debt ratio<sup>4</sup> was approximately 1.2 times (as at 31 December 2020: approximately 1.3 times).

*Notes:*

1. The net gearing ratio is calculated based on total borrowings less cash and bank balances (including restricted cash, deposits pledged and cash and cash equivalents) divided by total equity.
2. The debt-to-asset ratio excluding advances from customers is calculated based on total debt excluding contract liabilities divided by total assets excluding contract liabilities.
3. The current ratio is calculated based on current assets divided by current liabilities.
4. The cash to short-term debt ratio is calculated based on unrestricted cash and cash equivalents divided by current borrowings.

### **4. Contingent Liabilities**

Pursuant to certain mortgage contracts, the banks require the Group to provide guarantees to the purchasers in respect of their mortgage loans. Such mortgage guarantees provided to the purchasers are usually released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the delivery of relevant properties to the purchasers. If the purchasers are in default on their mortgage loans, the Group shall be liable to the repayment of the outstanding mortgage principal amount together with the accrued interest and penalties owed by the defaulting purchasers to the banks and the Group shall be entitled to take over the legal title and possession of the related properties.

As at 30 June 2021, the Group has provided guarantees of approximately RMB12.12 billion to certain banks in respect of the mortgage loans granted to certain purchasers of the Group's properties (as at 31 December 2020: approximately RMB12.08 billion).

As at 30 June 2021, the Group has provided guarantees of approximately RMB4.49 billion to related companies (as at 31 December 2020: approximately RMB5.41 billion). Saved as disclosed in this announcement, the Group had no other significant contingency liabilities for the Period.

## 5. Use of Proceeds from the Initial Public Offering (the “IPO”) and the Partial Exercise of the Over-allotment Option

The Company’s net proceeds from the global offering are approximately HK\$1.49 billion. On 6 January 2021, ICBC International Capital Limited, the sponsor of the IPO of the Company, partially exercised the over-allotment option and allotted and issued 30,144,000 additional shares at price of HK\$4.56 per share. The net proceeds from the partial exercise of the over-allotment option were approximately HK\$135 million. As of the date of this announcement, the Company has applied the balance of proceeds raised from the global offering in accordance with the proposed applications as disclosed in the prospectus of the Company dated 27 November 2020 and the balance of proceeds from the partial exercise of such over-allotment option.

The following table sets forth a breakdown of the actual utilization of net proceeds as at 30 June 2021:

Usage	Net proceeds from the IPO <i>HK\$ million</i>	Unutilized amount as of 31 December 2020 <i>HK\$ million</i>	Net proceeds from the partial exercise of the over-allotment option <i>HK\$ million</i>	Actual utilized during the Period <i>HK\$ million</i>	Unutilized amount as of 30 June 2021 <i>HK\$ million</i>
Construction costs of existing property development projects	951	–	116	116	–
Repayment of part of existing interest- bearing bank borrowings	384	239	–	239	–
General working capital	158	–	19	19	–
Total	<u>1,493</u>	<u>239</u>	<u>135</u>	<u>374</u>	<u>–</u>

## 6. Senior Notes

In June 2021, the Company issued senior notes in the aggregate principal amount of US\$300 million maturing in June 2022 with a fixed interest rate of 12.5% per annum.

Please refer to the Company’s announcements dated 31 May 2021, 1, 7 and 8 June 2021 for details.

## 7. Subsequent Events That Have a Significant Impact on the Group after the End of the Period

### *The Acquisition of 20% Equity Interests of Tianyu Jurong*

On 8 July 2021, Zhangzhou Tanglin Real Estate Development Company Limited (“**Zhangzhou Tanglin**”) (an indirect wholly-owned subsidiary of the Company) as the subscriber, Nanning Tianyu Yujun Investment Co., Ltd. (南寧天譽譽浚投資有限公司) (“**Tianyu Yujun**”) as the vendor and Nanning Tianyu Jurong Realty Company Limited (南寧天譽巨榮置業有限公司) (“**Tianyu Jurong**”) as the target company entered into the capital increase agreement (the “**Capital Increase Agreement**”), pursuant to which, Zhangzhou Tanglin agreed to acquire 20% of the equity interests of Tianyu Jurong by way of capital contribution of RMB605,930,000 to Tianyu Jurong (the “**Acquisition**”). Upon completion of the transaction, each of Zhangzhou Tanglin and Tianyu Yujun will own 20% and 80% of the entire equity interests of Tianyu Jurong, respectively.

It is the business strategy of the Group to focus on the property development and expanding the property investment business in the PRC. The Board is optimistic in the property investment business and believes the Acquisition will provide a stable income stream to the business of the Group. Meanwhile, in order to increase the overall revenue of the Group, the Group has been actively exploring business opportunities based on the experience and business relations of its management. The Board considers that for the Group, the Acquisition represents an investment in properties with appreciation potential to obtain indirect equity interests, and is conducive to the Group to establish cooperative alliance with the strategic partners by leveraging the strengths of both parties. Therefore, the Board considers the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Relevant announcement was published on the websites of the Hong Kong Stock Exchange and the Company on 9 July 2021.

## **Other information**

### **Employees and Remuneration Policy**

As at 30 June 2021, the Group had a total of 2,626 employees (as at 31 December 2020: 2,592 employees). The remuneration of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialised training schemes.

### **Purchase, Sale or Redemption of Listed Securities**

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

### **COMPLIANCE WITH THE CG CODE**

The Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**CG Code**”). To the knowledge of the Directors, the Company has complied with all code provisions set out in the CG Code for the Period.

### **REVIEW OF INTERIM RESULTS**

The interim results for the Period are unaudited, but have been reviewed by the Company’s auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2021. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2021 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## OUTLOOK FOR 2021

In the second half of 2021, the Group expects that the land market will cool down under the superposition of various policies. With the continuous strengthening of financial supervision in the real estate market, the amount of new loans may be limited in the second half of the year, and mortgage interest rates in some cities will rise. The tightening of the overall credit environment may affect the sentiment of the property purchasers to a certain extent.

The Group will continue to uphold the principle of seeking progress while maintaining stability, maintain bottom-line thinking, and balance and predict development and risks. On the one hand, we will adhere to the strategy of deploying urban agglomerations and cultivating metropolitan areas. We will remain cautious with a positive attitude, and adhere to diversified land acquisition methods. On the other hand, we will continue to focus on customers, continue to improve the quality of service and customer satisfaction. We will continue to improve the level of financial and cost management in accordance with the requirements of the capital market, while maintaining high transparency and good corporate governance, and continuously improving operating capabilities of the Group. In addition, the Group will also continue to adopt the friendly platform strategy, continue to explore opportunities and provide equity interests to attract strategic investors, platform resources and other ways, to promote steady development of the Company and strengthen core competitiveness. Finally, the Group will strive to become a high-quality listed company with sustainable development capabilities through continuous improvement of overall performance, so as to achieve a win-win situation for customers, employees, society and shareholders.

## PUBLICATION OF INTERIM RESULTS

The interim results announcement for the Period has been published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.dyna888.com>). The Company's 2021 interim report will be despatched to the Shareholders and published on the websites of the Hong Kong Stock Exchange and the Company on or before 30 September 2021.

On behalf of the Board  
**Datang Group Holdings Limited**  
**WU Di**  
Chairman

Hong Kong, 26 August 2021

*As at the date of this announcement, the executive Directors are Mr. WU Di, Mr. HAO Shengchun, Mr. TANG Guozhong and Ms. ZHANG Jianhua, the non-executive Directors are Ms. CHAN Tan Yee and Ms. CHEN Xiaoyun, and the independent non-executive Directors are Mr. QU Wenzhou, Ms. XIN Zhu and Mr. TAM Chi Choi.*

*In case of any inconsistency, the Chinese version of this announcement shall prevail over the English version.*