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**SUNac 融創中國**  
**SUNAC CHINA HOLDINGS LIMITED**  
**融創中國控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01918)**

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

**RESULTS HIGHLIGHTS**

For the six months ended 30 June 2021:

- Contracted sales amount of the Group and its joint ventures and associates was approximately RMB320.76 billion, representing a growth rate of approximately 64.3% compared to the same period last year;
- Revenue of the Group was approximately RMB95.82 billion, representing a growth rate of approximately 23.9% compared to the same period last year;
- Gross profit of the Group was approximately RMB19.98 billion, representing a growth rate of approximately 12.5% compared to the same period last year;
- Profit attributable to owners of the Company was approximately RMB11.99 billion, representing a growth rate of approximately 9.4% compared to the same period last year;
- Core net profit<sup>1</sup> was approximately RMB13.15 billion, representing a growth rate of approximately 0.8% compared to the same period last year;
- Cash balance of the Group as at 30 June 2021 was approximately RMB123.19 billion;
- Net gearing ratio<sup>2</sup> of the Group as at 30 June 2021 was approximately 86.6%, representing a decrease of approximately 9.4 percentage points as compared to the end of last year;

- Non-restricted cash to current borrowings ratio<sup>3</sup> of the Group as at 30 June 2021 was approximately 1.11, representing an increase of approximately 0.03 as compared to the end of last year; and
- Liabilities to assets ratio after excluding receipts in advance<sup>4</sup> of the Group as at 30 June 2021 was approximately 76.0%, representing a decrease of approximately 2.3 percentage points as compared to the end of last year.

*Notes:*

1. *Core net profit refers to profit attributable to owners of the Company, after excluding the impact of gains from business combination and its effect on fair value adjustments, gain or loss on changes in fair value of financial assets, derivative financial instruments and investment properties, exchange gain or loss and charitable donations, etc..*
2. *Net gearing ratio is calculated by dividing total borrowings (including current and non-current borrowings) minus cash balances (including restricted cash) by total equity.*
3. *Non-restricted cash to current borrowings ratio is calculated by dividing cash and cash equivalents by current borrowings.*
4. *Liabilities to assets ratio after excluding receipts in advance is calculated by dividing total liabilities minus receipts in advance (including contract liabilities and relevant value-added tax) by total assets minus receipts in advance (including contract liabilities and relevant value-added tax).*

## INTERIM RESULTS WITH NOTES

The board (the “Board”) of directors (the “Directors”) of Sunac China Holdings Limited (the “Company”) is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2021 as follows:

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2021	2020
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	95,816,336	77,341,665
Cost of sales	9	(75,840,639)	(59,585,858)
<b>Gross profit</b>		<b>19,975,697</b>	17,755,807
Other income and gains	10	4,051,131	7,308,023
Selling and marketing costs	9	(3,818,211)	(2,615,289)
Administrative expenses	9	(3,749,034)	(3,685,860)
Other expenses and losses	11	(1,892,149)	(634,957)
Net impairment losses on financial and contract assets		(18,163)	(96,047)
<b>Operating profit</b>		<b>14,549,271</b>	18,031,677
Finance income	12	1,523,160	861,111
Finance expenses	12	(700,516)	(2,451,591)
Finance income/(expenses) – net		822,644	(1,590,480)
Share of post-tax profits of associates and joint ventures accounted for using the equity method, net		2,238,285	2,414,541
<b>Profit before income tax</b>		<b>17,610,200</b>	18,855,738
Income tax expense	13	(4,313,537)	(7,154,856)
<b>Profit for the period</b>		<b>13,296,663</b>	11,700,882
<b>Other comprehensive income for the period</b>		–	–
<b>Total comprehensive income for the period</b>		<b>13,296,663</b>	11,700,882

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
<i>Note</i>		<b>2021</b>	2020
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Attributable to:</b>			
	– Owners of the Company	<b>11,989,112</b>	10,959,122
	– Holders of perpetual capital securities	–	68,297
	– Other non-controlling interests	<b>1,307,551</b>	673,463
		<u><b>13,296,663</b></u>	<u>11,700,882</u>
<b>Earnings per share attributable to owners of the Company (expressed in RMB per share):</b>			
	– Basic earnings per share	<b>2.62</b>	2.41
		<u><b>2.62</b></u>	<u>2.41</u>
	– Diluted earnings per share	<b>2.59</b>	2.39
		<u><b>2.59</b></u>	<u>2.39</u>

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	<i>Note</i>	<b>30 June 2021 (Unaudited) RMB'000</b>	31 December 2020 (Audited) RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>92,739,108</b>	85,741,042
Investment properties		<b>30,745,471</b>	28,933,847
Right-of-use assets		<b>16,567,781</b>	16,395,822
Intangible assets		<b>9,889,669</b>	9,134,838
Deferred tax assets		<b>13,813,884</b>	12,237,271
Investments accounted for using the equity method	4	<b>98,938,503</b>	86,543,135
Financial assets at fair value through profit or loss		<b>26,907,737</b>	27,923,387
Other receivables	5	<b>62,400</b>	54,000
Prepayments	6	<b>5,530,399</b>	6,503,350
		<b><u>295,194,952</u></b>	<u>273,466,692</u>
<b>Current assets</b>			
Properties under development		<b>560,457,107</b>	504,147,025
Completed properties held for sale		<b>71,327,745</b>	64,536,564
Inventories		<b>887,917</b>	775,381
Trade and other receivables	5	<b>70,733,761</b>	61,000,686
Contract related assets		<b>5,155,416</b>	3,840,346
Amounts due from related companies		<b>36,087,471</b>	38,928,928
Prepayments	6	<b>28,107,477</b>	16,842,720
Prepaid income tax		<b>11,649,936</b>	8,761,882
Financial assets at fair value through profit or loss		<b>2,664,365</b>	3,458,725
Restricted cash		<b>22,087,564</b>	33,935,611
Cash and cash equivalents		<b>101,099,468</b>	98,710,644
		<b><u>910,258,227</u></b>	<u>834,938,512</u>
<b>Total assets</b>		<b><u><u>1,205,453,179</u></u></b>	<u><u>1,108,405,204</u></u>

	<i>Note</i>	<b>30 June 2021 (Unaudited) RMB'000</b>	31 December 2020 (Audited) RMB'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>401,921</b>	400,938
Other reserves		<b>19,478,927</b>	28,025,584
Retained earnings		<b>108,506,928</b>	97,200,984
		<b>128,387,776</b>	125,627,506
Other non-controlling interests		<b>79,943,641</b>	52,202,977
<b>Total equity</b>		<b>208,331,417</b>	177,830,483
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	8	<b>212,568,497</b>	211,831,470
Derivative financial instruments		<b>147,144</b>	196,883
Lease liabilities		<b>445,345</b>	447,794
Deferred tax liabilities		<b>28,891,291</b>	33,878,924
Other payables	7	<b>108,693</b>	304,205
		<b>242,160,970</b>	246,659,276
<b>Current liabilities</b>			
Trade and other payables	7	<b>248,282,240</b>	202,075,006
Contract liabilities		<b>319,733,254</b>	273,759,529
Amounts due to related companies		<b>46,520,900</b>	68,896,873
Current tax liabilities		<b>49,180,409</b>	47,285,517
Borrowings	8	<b>90,962,064</b>	91,607,425
Lease liabilities		<b>206,458</b>	212,051
Derivative financial instruments		<b>19,759</b>	23,336
Provisions		<b>55,708</b>	55,708
		<b>754,960,792</b>	683,915,445
<b>Total liabilities</b>		<b>997,121,762</b>	930,574,721
<b>Total equity and liabilities</b>		<b>1,205,453,179</b>	1,108,405,204

## NOTES

### 1 GENERAL INFORMATION

Sunac China Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the businesses of property development and investment, cultural and tourism city construction and operation, property management services and other services in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated.

### 2 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 standards adopted by the Group

Below new and amended standards and interpretations became effective for annual reporting periods commencing on 1 January 2021 and adopted by the Group for the first time in 2021 interim report:

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

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) Impact of standards issued but not yet applied by the Group**

Certain new accounting standards and amendments have been published, which are not effective for 2021 interim reporting period and have not been early adopted by the Group. These new and amended standards are not expected to have any significant impact on the Group in the current or future reporting periods and on foreseeable future transactions.

	<b>Effective for the financial year beginning on or after</b>
<i>Reference to the Conceptual Framework – Amendments to HKFRS 3</i>	1 January 2022
<i>Property, Plant and Equipment: Proceeds before intended use – Amendments to HKAS 16</i>	1 January 2022
<i>Onerous contracts – costs of fulfilling a contract – Amendments to HKAS 37</i>	1 January 2022
<i>Annual improvements to HKFRSs Standards 2018-2020</i>	1 January 2022
<i>Merger Accounting for Common Control Combination – Revised Accounting Guideline 5</i>	1 January 2022
<i>Classification of liabilities as current or non-current – Amendments to HKAS 1</i>	1 January 2023
<i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Hong Kong Interpretation 5 (2020)</i>	1 January 2023
<i>Insurance contracts – HKFRS 17</i>	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12</i>	1 January 2023
<i>Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2</i>	1 January 2023
<i>Definition of Accounting Estimates – Amendments to HKAS 8</i>	1 January 2023
<i>Sale or contribution of assets between an investor and its associate or joint ventures – Amendments to HKFRS 10 and HKAS 28</i>	To be determined

**3 SEGMENT INFORMATION**

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports.

The executive directors assess the performance of the Group organised as follows:

- Property development
- Cultural and tourism city construction and operation
- Property management
- All other segments



In November 2020, the Group spun-off Sunac Services Holdings Limited (“Sunac Services”), its operating segment of property management services, to be separately listed on the Stock Exchange. The executive directors assess the performance of property management segment as a new independent reportable segment since then and the segment information of 2020 interim was restated correspondingly.

Other segments mainly include office building rentals and fitting and decoration services. The results of these operations are included in the “all other segments” column.

The performance of above reportable segments is assessed based on a measure of profit before depreciation and amortisation, interest expenses and income tax expenses, defined as segment results. The segment results exclude the fair value gains or losses on financial assets at fair value through profit or loss (“FVPL”) and derivative financial instruments, which are managed on a central basis.

Segment assets primarily consist of all assets excluding deferred tax assets, prepaid income tax, financial assets at FVPL and derivative financial instruments, which are managed on a central basis. Segment liabilities primarily consist of all liabilities excluding deferred tax liabilities, current tax liabilities and derivative financial instruments.

The Group’s revenue is mainly attributable to the market in the PRC and more than 90% of the Group’s non-current assets are located in the PRC. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group’s revenue.

The segment results are as follows:

	Six months ended 30 June 2021				
	Property development	Cultural and tourism city construction and operation	Property management	All other segments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total segment revenue	87,503,605	2,608,912	3,319,248	14,132,323	107,564,088
<i>Recognised at a point in time</i>	65,773,086	1,130,729	276,473	285,959	67,466,247
<i>Recognised over time</i>	21,730,519	1,478,183	3,042,775	13,846,364	40,097,841
Inter-segment revenue	-	-	(898,503)	(10,849,249)	(11,747,752)
<b>Revenue from external customers</b>	<b>87,503,605</b>	<b>2,608,912</b>	<b>2,420,745</b>	<b>3,283,074</b>	<b>95,816,336</b>
Net impairment losses on financial and contract assets	-	-	(18,163)	-	(18,163)
Net fair value gains on investment properties	-	812,176	-	6,000	818,176
Interest income	1,741,853	-	7,080	-	1,748,933
Finance income	1,427,483	-	95,677	-	1,523,160
Share of post-tax profits of associates and joint ventures accounted for using the equity method, net	2,207,634	14,668	6,494	9,489	2,238,285
<b>Segment results</b>	<b>18,345,684</b>	<b>1,289,634</b>	<b>558,320</b>	<b>1,071,506</b>	<b>21,265,144</b>
<b>Other information</b>					
Capital expenditure	1,584,906	8,128,305	36,664	597,107	10,346,982

As at 30 June 2021

	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Total segment assets</b>	<b><u>949,589,666</u></b>	<b><u>133,215,013</u></b>	<b><u>12,757,059</u></b>	<b><u>54,855,519</u></b>	<b><u>1,150,417,257</u></b>
<b>Investments accounted for using the equity method</b>	<b><u>98,096,585</u></b>	<b><u>143,352</u></b>	<b><u>68,666</u></b>	<b><u>629,900</u></b>	<b><u>98,938,503</u></b>
<b>Total segment liabilities</b>	<b><u>852,885,662</u></b>	<b><u>32,007,173</u></b>	<b><u>3,696,859</u></b>	<b><u>30,293,465</u></b>	<b><u>918,883,159</u></b>
Six months ended 30 June 2020 (restated)					
	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	73,073,754	979,641	1,790,624	10,377,311	86,221,330
<i>Recognised at a point in time</i>	55,193,128	313,557	93,618	–	55,600,303
<i>Recognised over time</i>	17,880,626	666,084	1,697,006	10,377,311	30,621,027
Inter-segment revenue	–	–	(463,306)	(8,416,359)	(8,879,665)
<b>Revenue from external customers</b>	<b><u>73,073,754</u></b>	<b><u>979,641</u></b>	<b><u>1,327,318</u></b>	<b><u>1,960,952</u></b>	<b><u>77,341,665</u></b>
Net impairment losses on financial and contract assets	(88,612)	–	(7,435)	–	(96,047)
Net fair value gains on investment properties	–	50,699	–	–	50,699
Interest income	2,197,163	–	–	2,752	2,199,915
Finance income	853,586	–	7,421	104	861,111
Share of post-tax profits of associates and joint ventures accounted for using the equity method, net	2,392,492	8,990	2,511	10,548	2,414,541
<b>Segment results</b>	<b><u>21,005,953</u></b>	<b><u>60,677</u></b>	<b><u>194,906</u></b>	<b><u>594,365</u></b>	<b><u>21,855,901</u></b>
<b>Other information</b>					
Capital expenditure	729,780	4,176,834	15,615	410,279	5,332,508

As at 31 December 2020

	Property development <i>RMB'000</i>	Cultural and tourism city construction and operation <i>RMB'000</i>	Property management <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Total segment assets</b>	<u>876,757,138</u>	<u>125,071,155</u>	<u>11,819,376</u>	<u>42,376,270</u>	<u>1,056,023,939</u>
<b>Investments accounted for using the equity method</b>	<u>85,931,973</u>	<u>177,632</u>	<u>58,263</u>	<u>375,267</u>	<u>86,543,135</u>
<b>Total segment liabilities</b>	<u>797,822,173</u>	<u>26,996,446</u>	<u>2,793,931</u>	<u>21,577,511</u>	<u>849,190,061</u>

Reportable segment results are reconciled to total profit as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Total segment results	<b>21,265,144</b>	21,855,901
Depreciation and amortisation	<b>(1,659,249)</b>	(1,230,113)
Finance expenses	<b>(700,516)</b>	(2,451,591)
Other income and gains	<b>28,423</b>	752,197
Other expenses and losses	<b>(1,323,602)</b>	(70,656)
Income tax expense	<b>(4,313,537)</b>	(7,154,856)
<b>Profit for the period</b>	<u><b>13,296,663</b></u>	<u>11,700,882</u>

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	<b>1,150,417,257</b>	1,056,023,939
Deferred tax assets	<b>13,813,884</b>	12,237,271
Other assets	<b>41,222,038</b>	40,143,994
<b>Total assets</b>	<u><b>1,205,453,179</b></u>	<u>1,108,405,204</u>
Total segment liabilities	<b>918,883,159</b>	849,190,061
Deferred tax liabilities	<b>28,891,291</b>	33,878,924
Other liabilities	<b>49,347,312</b>	47,505,736
<b>Total liabilities</b>	<u><b>997,121,762</b></u>	<u>930,574,721</u>

#### 4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investment amounts recognised in the balance sheet were as follows:

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Joint ventures	<b>73,101,781</b>	64,478,669
Associates	<b>25,836,722</b>	22,064,466
	<b><u>98,938,503</u></b>	<u>86,543,135</u>

##### 4.1 Investments in joint ventures

The following table analyses, on an aggregate basis, the movement of the carrying amount of the Group's investments in joint ventures, and the share of results of these joint ventures.

	<b>Six months ended 30 June</b>	
	<b>2021 RMB'000</b>	2020 RMB'000
At beginning of period	<b>64,478,669</b>	60,049,425
Increasing:		
– New investments in joint ventures	<b>9,961,620</b>	5,441,893
– Acquisition from business combination	–	47,198
Decreasing:		
– Disposal and capital decreasing of joint ventures	<b>(290,645)</b>	(1,825,715)
– Impact on asset acquisition transactions	<b>(370,740)</b>	(2,441,128)
Share of profits of joint ventures, net	<b>1,822,206</b>	1,381,653
Dividends from joint ventures	<b>(2,499,329)</b>	(2,822,957)
At end of period	<b><u>73,101,781</u></b>	<u>59,830,369</u>

## 4.2 Investments in associates

The following table analyses, on an aggregate basis, the movement of the carrying amount of the Group's investments in associates, and the share of results of these associates.

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of period	<b>22,064,466</b>	28,944,867
Increasing:		
– New investments in associates	<b>4,231,738</b>	2,615,790
Decreasing:		
– Disposal and capital decreasing of associates	<b>(23,776)</b>	(10,126,612)
– Impact on asset acquisition transactions	<b>(51,765)</b>	–
Share of profits of associates, net	<b>416,079</b>	454,086
Dividends from associates	<b>(800,020)</b>	(783,278)
At end of period	<b><u>25,836,722</u></b>	<b><u>21,104,853</u></b>

## 5 TRADE AND OTHER RECEIVABLES

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Non-current –		
Amounts due from construction customers	<b>48,000</b>	48,000
Other receivables (c)	<b>14,400</b>	6,000
	<b>62,400</b>	54,000
Current –		
Trade receivables from contracts with customers (a)	<b>3,103,631</b>	2,790,035
Amounts due from non-controlling interests and their related parties (b)	<b>36,360,403</b>	32,804,732
Notes receivables	<b>54,058</b>	29,734
Deposits receivables	<b>9,232,586</b>	9,470,270
Other receivables (c)	<b>22,554,766</b>	16,459,435
	<b>71,305,444</b>	61,554,206
Less: Loss allowance	<b>(571,683)</b>	(553,520)
	<b>70,733,761</b>	61,000,686

As at 30 June 2021 and 31 December 2020, the carrying amounts of the Group's trade and other receivables were all denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

### Notes:

- (a) Trade receivables mainly arise from sales of properties and rendering of property management services. The consideration in respect of sales of properties is paid by customers in accordance with the credit terms agreed in the property sale contracts. Property management services income is received in accordance with the term of the relevant property service agreements and is due for payment upon rendering of service. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Within 90 days	<b>1,111,455</b>	1,540,308
91–180 days	<b>193,789</b>	54,492
181–365 days	<b>743,039</b>	377,650
Over 365 days	<b>1,055,348</b>	817,585
	<b>3,103,631</b>	2,790,035

- (b) The amounts due from non-controlling interests and their related parties are unsecured, interest free and have no fixed repayment terms.
- (c) Other receivables mainly included the cash advance for land use rights acquisition, payments on behalf of customers, interest receivables and amounts due from equity investment partners.

## 6 PREPAYMENTS

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Non-current –		
Prepayments for equity transactions	5,470,002	6,458,240
Prepayments for purchase of property, plant and equipment	<b>60,397</b>	45,110
	<u><b>5,530,399</b></u>	<u>6,503,350</u>
Current –		
Prepaid value added taxes and other taxes	5,611,378	3,613,616
Prepayments for land use rights acquisitions	18,958,849	11,039,614
Prepayments for construction costs	2,228,858	1,218,431
Others	<b>1,308,392</b>	971,059
	<u><b>28,107,477</b></u>	<u>16,842,720</u>

As at 30 June 2021 and 31 December 2020, the carrying amounts of the Group's prepayments were all denominated in RMB.



## 7 TRADE AND OTHER PAYABLES

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Non-current –		
Un-paid amounts for acquisition of equity investments	–	169,624
Other payables (d)	<b>108,693</b>	134,581
	<b>108,693</b>	<b>304,205</b>
Current –		
Trade payables (a)	<b>130,648,475</b>	123,297,865
Amounts due to non-controlling interests and their related parties (b)	<b>35,062,577</b>	13,630,355
Un-paid amounts for acquisition of equity investments	<b>11,178,236</b>	7,108,469
Dividend payables	<b>7,748,980</b>	–
Other taxes payable	<b>4,490,407</b>	5,203,316
Interests payable	<b>3,242,515</b>	3,865,838
Payroll and welfare payables	<b>1,303,405</b>	3,807,306
Consideration payable arising from non-controlling shareholders' put option (c)	<b>1,250,477</b>	–
Other payables (d)	<b>53,357,168</b>	45,161,857
	<b>248,282,240</b>	<b>202,075,006</b>

### Notes:

- (a) As at 30 June 2021, the ageing analysis of the trade payables is performed based on the date of the liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	<b>30 June 2021 RMB'000</b>	31 December 2020 RMB'000
Within 90 days	<b>46,244,530</b>	50,072,362
91-180 days	<b>16,220,358</b>	20,897,115
181-365 days	<b>33,374,532</b>	25,054,599
Over 365 days	<b>34,809,055</b>	27,273,789
	<b>130,648,475</b>	<b>123,297,865</b>

- (b) The amounts due to non-controlling interests and their related parties are unsecured and repayable on demand.
- (c) There are several put options provided to the non-controlling shareholders of some subsidiaries of the Group which they have the right to sell the remaining equity interests to the Group at any time. The financial liabilities being the present value of the redemption amount for the acquisition of the remaining equity interest upon the exercise of the put option is recognised and included in other payables.

- (d) As at 30 June 2021, other payables mainly included value-added tax relevant to pre-sale of properties amounted to RMB17,268 million (as at 31 December 2020, RMB13,848 million). Beside this, the residual amounts mainly included deposits from customers, deed tax and maintenance funds received on behalf of customers and cash advance from potential equity investment partners.

## 8 BORROWINGS

	<b>30 June 2021</b>	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current</b>		
Secured,		
– Bank and other institution borrowings	<b>205,847,407</b>	214,597,482
– Senior notes	<b>50,553,215</b>	47,072,708
	<b>256,400,622</b>	261,670,190
Unsecured,		
– Bank and other institution borrowings	<b>5,400,324</b>	1,949,050
– Corporate bonds	<b>14,845,304</b>	11,265,506
– Private domestic corporate bonds	<b>10,064,925</b>	15,391,031
	<b>30,310,553</b>	28,605,587
	<b>286,711,175</b>	290,275,777
Less: Current portion of non-current borrowings	<b>(74,142,678)</b>	(78,444,307)
	<b>212,568,497</b>	211,831,470
<b>Current</b>		
Secured,		
– Bank and other institution borrowings	<b>16,310,312</b>	12,668,110
Unsecured,		
– Bank and other institution borrowings	<b>509,074</b>	495,008
	<b>16,819,386</b>	13,163,118
Current portion of non-current borrowings	<b>74,142,678</b>	78,444,307
	<b>90,962,064</b>	91,607,425
Total borrowings	<b>303,530,561</b>	303,438,895

## 9 EXPENSES BY NATURE

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Costs of properties sold	<b>68,827,048</b>	54,792,817
Staff costs	<b>2,729,567</b>	2,822,835
Advertisement and promotion costs	<b>2,359,416</b>	1,435,659
Depreciation and amortisation*	<b>1,659,249</b>	1,230,113
Value-added tax surcharges	<b>855,035</b>	364,468
Net impairment losses for properties	<b>88,242</b>	780,682
	<b><u>68,827,048</u></b>	<b><u>54,792,817</u></b>

\* Depreciation and amortisation expense of RMB972 million (2020: RMB819 million) has been charged to “cost of sales”.

## 10 OTHER INCOME AND GAINS

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Interest income	<b>1,748,933</b>	2,199,915
Net fair value gains on investment properties	<b>818,176</b>	50,699
Net gains from disposal of joint venture and associate	<b>5,816</b>	2,741,600
Fair value gains on derivative financial instruments	<b>28,423</b>	41,371
Net fair value gains on financial assets at FVPL	–	710,826
Gains from business combination	–	616,384
Others	<b>1,449,783</b>	947,228
	<b><u>4,051,131</u></b>	<b><u>7,308,023</u></b>

## 11 OTHER EXPENSES AND LOSSES

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Net fair value losses on financial assets at FVPL	<b>1,222,268</b>	–
Impairment provision for goodwill	–	137,394
Fair value losses on derivative financial instruments	–	70,656
Others	<b>669,881</b>	426,907
	<b><u>1,892,149</u></b>	<b><u>634,957</u></b>

## 12 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Financial expenses:		
Interest expenses	<b>13,055,553</b>	15,178,592
Interest expenses for lease liabilities	<b>29,507</b>	31,680
Less: Capitalised finance costs	<b>(12,384,544)</b>	(13,669,483)
	<b>700,516</b>	1,540,789
Net exchange losses	<b>–</b>	910,802
	<b>700,516</b>	2,451,591
Finance income:		
Interest income on bank deposits	<b>(826,532)</b>	(861,111)
Net exchange gains	<b>(696,628)</b>	–
	<b>(1,523,160)</b>	(861,111)
Finance (income)/expenses – net	<b>(822,644)</b>	1,590,480

## 13 INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Corporate income tax		
– Current income tax	<b>6,005,328</b>	6,487,988
– Deferred income tax	<b>(3,864,497)</b>	(1,401,304)
	<b>2,140,831</b>	5,086,684
Land appreciation tax	<b>2,172,706</b>	2,068,172
	<b>4,313,537</b>	7,154,856

## 14 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, excluding shares purchased for the share award scheme.

	Six months ended 30 June	
	2021	2020
Profit attributable to owners of the Company (RMB'000)	<u>11,989,112</u>	<u>10,959,122</u>
Weighted-average number of ordinary shares in issue (thousand)	4,664,970	4,631,211
Adjusted for purchase of shares for share award scheme (thousand)	<u>(82,453)</u>	<u>(91,576)</u>
Weighted-average number of ordinary shares for basic earnings per share (thousand)	<u><u>4,582,517</u></u>	<u><u>4,539,635</u></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.

	Six months ended 30 June	
	2021	2020
Profit attributable to owners of the Company (RMB'000)	<u>11,989,112</u>	<u>10,959,122</u>
Weighted-average number of ordinary shares in issue (thousand)	4,664,970	4,631,211
Adjusted for purchase of shares for share award scheme (thousand)	<u>(82,453)</u>	<u>(91,576)</u>
Adjusted for share options and awarded shares (thousand)	<u>37,843</u>	<u>48,996</u>
Weighted-average number of ordinary shares for diluted earnings per share (thousand)	<u><u>4,620,360</u></u>	<u><u>4,588,631</u></u>

## **15 DIVIDENDS**

No interim dividend for the six months ended 30 June 2021 was proposed by the Board (six months ended 30 June 2020: Nil).

## **16 EVENTS AFTER THE BALANCE SHEET DATE**

### **(a) Issuance of senior notes**

On 20 July 2021, the Company issued an US\$400 million 6.8% senior notes due 2024 (the “2024 Senior Notes”) and an additional US\$100 million 6.5% senior notes due 2026 (the “2026 Additional Notes”) on the Singapore Exchange Securities Trading Limited. The 2024 Senior Notes bear interest from and including 20 July 2021 at the rate of 6.8% per annum, payable semi-annually in arrears on 20 April and 20 October of each year, except that the first payment of interest, to be made on 20 April 2022, will be in respect of the period from and including 20 July 2021 to (but excluding) 20 April 2022. The 2026 Additional Notes are consolidated with the 6.5% senior notes due 2026 in the aggregate principal amount of US\$500 million issued on 26 January 2021 to form a single series.

### **(b) Repurchase of the Company’s shares**

In July 2021, 13,400,000 shares of the Company were repurchased by the Company from open market with the aggregate consideration of approximately HK\$303 million (excluding expenses). All the repurchased shares of the Company were cancelled on 10 August 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### 1 Revenue

For the six months ended 30 June 2021, most of the Group's revenue came from sales of residential and commercial properties business, with a small proportion of revenue from cultural and tourism city construction and operation, property management and other businesses.

As at 30 June 2021, the Group's real estate development business achieved its national layout in tier-1 cities, tier-2 cities and strong tier-3 cities, which are divided into 7 major groups for management, namely the Beijing group (including Beijing, Ji'nan and Qingdao, etc.), North China group (including Tianjin, Zhengzhou and Xi'an, etc.), Shanghai group (including Shanghai, Nanjing and Suzhou, etc.), Southwestern China group (including Chongqing, Chengdu and Kunming, etc.), Southeastern China group (including Hangzhou, Xiamen and Hefei, etc.), Central China group (including Wuhan, Changsha and Nanchang, etc.) and South China group (including Guangzhou, Shenzhen and Sanya, etc.).

Total revenue of the Group for the six months ended 30 June 2021 amounted to approximately RMB95.82 billion, representing an increase of approximately 23.9% compared with the total revenue of approximately RMB77.34 billion for the six months ended 30 June 2020.

For the six months ended 30 June 2021, the total revenue of the Group and its joint ventures and associates was approximately RMB183.37 billion, representing an increase of approximately RMB55.37 billion (approximately 43.3%) as compared with the total revenue of approximately RMB128.00 billion for the six months ended 30 June 2020, of which approximately RMB124.49 billion was attributable to owners of the Company, representing an increase of approximately RMB29.69 billion (approximately 31.3%) as compared to approximately RMB94.80 billion for the six months ended 30 June 2020.

The following table sets forth certain details of the revenue:

	<b>Six months ended 30 June</b>			
	<b>2021</b>		<b>2020</b>	
	<i>RMB billion</i>	<i>%</i>	<i>RMB billion</i>	<i>%</i>
Revenue from sales of properties	<b>87.50</b>	<b>91.3%</b>	73.07	94.5%
Cultural and tourism city construction and operation income	<b>2.61</b>	<b>2.7%</b>	0.98	1.3%
Property management income	<b>2.42</b>	<b>2.5%</b>	1.33	1.7%
Other business income	<b>3.29</b>	<b>3.5%</b>	1.96	2.5%
<b>Total</b>	<b><u>95.82</u></b>	<b><u>100.0%</u></b>	<b><u>77.34</u></b>	<b><u>100.0%</u></b>
Total gross floor area delivered (in million sq.m.)	<b>7.821</b>		4.867	

For the six months ended 30 June 2021, revenue from sales of properties increased by approximately RMB14.43 billion (approximately 19.7%) as compared with that for the six months ended 30 June 2020. Total area of delivered properties increased by approximately 2.954 million square meters (approximately 60.7%) as compared with that for the six months ended 30 June 2020, mainly due to continuous increase in business scale of the Group's sales of properties, of which the delivered areas of property projects sold in various areas for the six months ended 30 June 2021 increased significantly as compared with that for the six months ended 30 June 2020.

## **2 Cost of sales**

Cost of sales mainly includes the Group's costs incurred in respect of properties sold in the direct property development business.

For the six months ended 30 June 2021, the Group's cost of sales was approximately RMB75.84 billion, representing an increase of approximately RMB16.25 billion (approximately 27.3%) as compared to the cost of sales of approximately RMB59.59 billion for the six months ended 30 June 2020. Increase in cost of sales was mainly due to increase in area of delivered properties.



### **3 Gross profit**

For the six months ended 30 June 2021, the Group's gross profit was approximately RMB19.98 billion, which was approximately RMB2.22 billion (approximately 12.5%) higher than the gross profit of approximately RMB17.76 billion for the six months ended 30 June 2020. Increase in gross profit was mainly due to increased sales revenue of the Group.

For the six months ended 30 June 2021, the Group's gross profit margin was approximately 20.8%, representing a decrease as compared to approximately 23.0% for the six months ended 30 June 2020.

For the six months ended 30 June 2021, the adjustments of revaluation surplus related to gains from business combination for the properties acquired led to the reduction of the Group's gross profit in the amount of approximately RMB5.33 billion. The Group's gross profit would have been approximately RMB25.31 billion and gross profit margin would have been approximately 26.4% for the six months ended 30 June 2021 without taking into account such impact.

For the six months ended 30 June 2021, total gross profit of the Group and its joint ventures and associates was approximately RMB36.02 billion, with a gross profit margin of approximately 19.6%, of which approximately RMB23.46 billion was gross profit attributable to owners of the Company. For the six months ended 30 June 2020, total gross profit of the Group and its joint ventures and associates was approximately RMB28.19 billion, with a gross profit margin of approximately 22.0%, of which approximately RMB20.91 billion was gross profit attributable to owners of the Company.

### **4 Selling and marketing costs and administrative expenses**

The Group's selling and marketing costs increased by approximately 45.8% from approximately RMB2.62 billion for the six months ended 30 June 2020 to approximately RMB3.82 billion for the six months ended 30 June 2021. The Group's administrative expenses increased by approximately 1.6% from approximately RMB3.69 billion for the six months ended 30 June 2020 to approximately RMB3.75 billion for the six months ended 30 June 2021. The increase in sales and marketing costs and administrative expenses was mainly due to the continuous expansion of business scale and the increase in the number of property projects of the Group.

## **5 Other income and gains**

For the six months ended 30 June 2021, the Group recognised other income and gains of approximately RMB4.05 billion, which mainly comprised income from capital utilisation fees received from joint ventures and associates, etc. of approximately RMB1.75 billion and net fair value gains on investment properties of approximately RMB0.82 billion. For the six months ended 30 June 2020, the Group's other income and gains amounted to approximately RMB7.31 billion, comprising income from capital utilisation fees received from joint ventures and associates, etc. of approximately RMB2.20 billion and net fair value gains on investment properties of approximately RMB0.05 billion. In addition, the Group had a pre-tax gain of approximately RMB2.80 billion on the disposal of its 24.36% shares in Jinke Property Group Co., Ltd. in the first half of 2020.

## **6 Operating profit**

Concluding from the above analysis, the Group's operating profit decreased by approximately RMB3.48 billion from approximately RMB18.03 billion for the six months ended 30 June 2020 to approximately RMB14.55 billion for the six months ended 30 June 2021, mainly due to the following reasons:

- (i) gross profit increased by approximately RMB2.22 billion;
- (ii) selling and marketing costs and administrative expenses increased by approximately RMB1.26 billion; and
- (iii) other income and gains decreased by approximately RMB3.26 billion, and other expenses and losses increased by approximately RMB1.26 billion.

## **7 Finance income and expenses**

The Group's finance expenses decreased by approximately RMB1.75 billion from approximately RMB2.45 billion for the six months ended 30 June 2020 to approximately RMB0.70 billion for the six months ended 30 June 2021, and finance income increased by approximately RMB0.66 billion from approximately RMB0.86 billion for the six months ended 30 June 2020 to approximately RMB1.52 billion for the six months ended 30 June 2021 at the same time, mainly due to the following reasons:

- (i) due to the change in trend of foreign exchange rates fluctuations, the exchange gain or loss of the Group changed from a loss of approximately RMB0.91 billion for the six months ended 30 June 2020 to a gain of approximately RMB0.70 billion for the six months ended 30 June 2021; and
- (ii) The average total borrowings of the Group decreased as compared to the six months ended 30 June 2020 resulting in a decrease in the total interest costs of the Group. The continuous expansion of business scale, and the increase in the number of property projects under construction of the Group led to an increase in the proportion of capitalised interest to the total interest cost, and as a result, the interest expenses decreased by approximately RMB0.84 billion to approximately RMB0.70 billion for the the six months ended 30 June 2021 from approximately RMB1.54 billion for the six months ended 30 June 2020.

## **8 Share of post-tax profits of associates and joint ventures accounted for using the equity method, net**

During the six months ended 30 June 2021, share of post-tax profits of associates and joint ventures accounted for using the equity method, net was approximately RMB2.24 billion, representing a slight decrease of approximately RMB0.17 billion (approximately 7.1%) as compared with the share of post-tax profits of associates and joint ventures accounted for using the equity method, net of approximately RMB2.41 billion for the six months ended 30 June 2020.

## 9 Profits

The Group's profits attributable to owners of the Company increased by approximately 9.4% from approximately RMB10.96 billion for the six months ended 30 June 2020 to approximately RMB11.99 billion for the six months ended 30 June 2021. After excluding the impact of certain items such as gains from business combination and its effect on fair value adjustments, gain or loss on changes in fair value of financial assets, derivative financial instruments and investment properties, exchange gain or loss and charitable donations, etc., profit attributable to owners of the Company (the "core net profit", a non-GAAP financial measure) increased by approximately 0.8% from approximately RMB13.04 billion for the six months ended 30 June 2020 to approximately RMB13.15 billion for the six months ended 30 June 2021.

The table below sets out profits attributable to the owners of the Company, the holders of perpetual capital securities and other non-controlling interests for the stated period:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB billion</b></i>	<i><b>RMB billion</b></i>
Profit for the period	<b>13.30</b>	11.70
Attributable to:		
Owners of the Company	<b>11.99</b>	10.96
Holders of perpetual capital securities	–	0.07
Other non-controlling interests	<b>1.31</b>	0.67
	<b>13.30</b>	11.70

## 10 Cash status

The Group operates in a capital-intensive industry and the Group's liquidity requirements relate to meeting its working capital requirements, funding the development of its new property projects and servicing its debt. The funding sources of the Group mainly include proceeds from the pre-sale and sale of properties, and to a lesser extent, capital contributions from shareholders, share issuances and loans.

The Group's cash balances (including restricted cash) decreased to approximately RMB123.19 billion as at 30 June 2021 from approximately RMB132.65 billion as at 31 December 2020, of which non-restricted cash increased to approximately RMB101.10 billion as at 30 June 2021 from approximately RMB98.71 billion as at 31 December 2020.

Increase in non-restricted cash was mainly due to:

- (i) approximately RMB11.72 billion of net cash inflow from operating activities;
- (ii) approximately RMB32.89 billion of net cash outflow used in investment activities; and
- (iii) approximately RMB23.57 billion of net cash inflow from financing activities.

Currently, the Group has sufficient operating capital and is sufficient to resist risks besides supporting business growth in the foreseeable future.

## **11 Borrowings and securities**

For the six months ended 30 June 2021, the Group assessed the market continuously, controlled the pace of its land acquisition and supported its operation and development with operating cash flows. As a result, its total borrowings were well managed. Total borrowings were approximately RMB303.53 billion as at 30 June 2021, which was basically flat with approximately RMB303.44 billion as at 31 December 2020.

As at 30 June 2021, approximately RMB272.71 billion (as at 31 December 2020: approximately RMB274.34 billion) of the Group's total borrowings were secured or jointly secured by the Group's restricted cash, properties under development, completed properties held for sale, etc. (total amount was approximately RMB210.49 billion (as at 31 December 2020: approximately RMB215.46 billion)) and equities of certain of the Group's subsidiaries (including those legally transferred as collateral).

## **12 Non-restricted cash to current borrowings ratio and gearing ratio**

Non-restricted cash to current borrowings ratio is calculated by dividing cash and cash equivalents by current borrowings. As at 30 June 2021, the Group's non-restricted cash to current borrowings ratio was approximately 1.11, representing an increase of approximately 0.03 as compared to that as at 31 December 2020.

Net gearing ratio is calculated by dividing total borrowings (including current and non-current borrowings) minus cash balances (including restricted cash) by total equity. As at 30 June 2021, the Group's net gearing ratio was approximately 86.6%, representing a decrease of approximately 9.4 percentage points as compared to that as at 31 December 2020.

Liabilities to assets ratio after excluding receipts in advance is calculated by dividing total liabilities minus receipts in advance (including contract liabilities and relevant value-added tax) by total assets minus receipts in advance (including contract liabilities and relevant value-added tax). As at 30 June 2021, the Group's liabilities to assets ratio after excluding receipts in advance was approximately 76.0%, representing a decrease of approximately 2.3 percentage points as compared to that as at 31 December 2020.

Net debt to total capital ratio is calculated by dividing the net debt by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) and lease liabilities less cash balances (including restricted cash). Total capital is calculated by adding total equity and net debt. As at 30 June 2021, the Group's net debt to total capital ratio was approximately 46.5%, representing a decrease as compared to approximately 49.1% as at 31 December 2020.

### 13 Interest rate risk

As the Group has no material interest-bearing assets, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

The Group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the table are the liabilities stated at carrying amounts, categorized by maturity dates.

	<b>As at 30 June 2021 RMB billion</b>	As at 31 December 2020 RMB billion
Floating interests		
Less than 12 months	<b>15.16</b>	15.53
1-5 years	<b>40.91</b>	41.49
Over 5 years	<b>8.48</b>	10.98
	<hr/>	<hr/>
Subtotal	<b>64.55</b>	68.00
	<hr/>	<hr/>
Fixed interests		
Less than 12 months	<b>75.80</b>	76.08
1-5 years	<b>156.02</b>	155.13
Over 5 years	<b>7.16</b>	4.23
	<hr/>	<hr/>
Subtotal	<b>238.98</b>	235.44
	<hr/>	<hr/>
Total	<b>303.53</b>	303.44
	<hr/> <hr/>	<hr/> <hr/>



As at 30 June 2021, the Group has implemented certain interest rate swap arrangements to hedge its exposure to interest rate risk. The Group will continue to pay attention to interest rate swaps, consider refinancing and adjusting the financing structure and monitor its interest rate exposure on a monthly basis.

#### **14 Foreign exchange risks**

As most of the Group's operating entities are located in China, the Group operates its business mainly in RMB. Some of the Group's bank deposits, financial assets at FVPL and senior notes are denominated in US dollars or Hong Kong dollars, meaning that the Group is exposed to foreign exchange risks. For the six months ended 30 June 2021, the Group recorded an exchange gain in the amount of approximately RMB0.70 billion due to fluctuations in foreign exchange rates. However, the Group's operating cash flow and liquidity were not significantly affected by fluctuations in foreign exchange rates. The Group managed its exposure to fluctuations in foreign exchange rates through the implementation of certain foreign exchange swap arrangements, and will continue to closely monitor fluctuations in foreign exchange rates and actively take corresponding measures to minimize foreign exchange risks.

#### **15 Contingent liabilities**

The Group provides guarantees to banks for the mortgage loans of certain property purchasers to ensure that the purchasers perform their obligations of mortgage loan repayment. The amount of such guarantees was approximately RMB146.12 billion as at 30 June 2021 as compared with approximately RMB139.14 billion as at 31 December 2020. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchasers which will generally occur within an average period of six months of the properties delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties. The period of guarantee provided by the Group starts from the date when the mortgage is granted.

## **Business Review and Outlook**

### **Review of the first half of 2021**

In the first half of 2021, on the basis of management and regulatory regulations featured by “Three Red Lines and Four Camps” for real estate enterprises and management systems for the “concentration” of real estate loans for banks, the government further introduced new regulations of “dual centralization (雙集中)” land supply for the land market. Such establishment of a series of more systematic and transparent long-term regulatory mechanisms has strongly supported the regulatory objectives of “stabilising land prices, housing prices and expectations”, which is conducive to future development of the industry and enterprises in a more stable and healthy manner. Therefore, the Group is more confident in the future prospects of the industry.

In the first half of 2021, the Group recorded continuous growth in results and its profitability remained stable. For the six months ended 30 June 2021, the Group’s revenue was approximately RMB95.82 billion, representing a year-on-year increase of approximately 23.9%; gross profit was approximately RMB19.98 billion, representing a year-on-year increase of approximately 12.5%; profit attributable to owners of the Company was approximately RMB11.99 billion, representing a year-on-year increase of approximately 9.4%; the core net profit amounted to approximately RMB13.15 billion, representing a year-on-year increase of approximately 0.8%.

In the first half of 2021, relying on its high-quality saleable resources, the Group’s sales recorded a significant growth. The Group and its joint ventures and associates achieved contracted sales amount of approximately RMB320.76 billion (of which attributable contracted sales amount was approximately RMB200.76 billion), representing a year-on-year growth of approximately 64.3% and ranking the fourth in the industry. The Group also continued to consolidate its market-leading position in core cities, as its contracted sales amount exceeded RMB10 billion in 9 cities including Wuhan, Hangzhou, Chongqing, Shanghai, Xi’an, Wenzhou, Suzhou and Beijing, etc., of which the contracted sales amount in Wuhan and Hangzhou exceeded RMB20 billion.

In the first half of 2021, the Group strictly controlled the total amount of land acquisition. While ensuring continuous optimization of financial indicators and fully satisfying the regulatory requirements of “Three Red Lines and Four Camps”, the Group appropriately replenished high quality land with prudent decisions in core cities and further consolidated its competitive edge in land bank. The Group increased the attributable land bank by approximately 17.08 million sq.m. and attributable saleable resources by approximately RMB213.5 billion. The cumulative attributable land premium to attributable sales ratio for the 12 consecutive months as of the end of June was approximately 28.5%, and particularly, attributable land premium to attributable sales ratio in the first half of 2021 was approximately 37.9%. As at the end of June 2021, the attributable land bank of the Group and its joint ventures and associates amounted to approximately 164 million sq.m. and the expected saleable resources of attributable land bank amounted to approximately RMB2.0 trillion.

In the first half of 2021, the Group further improved its capital structure and continued to improve its indicators under the “Three Red Lines and Four Camps”. As at the end of June 2021, the Group’s net gearing ratio was approximately 86.6%, non-restricted cash to current borrowings ratio was approximately 1.11, and liabilities to assets ratio after excluding receipts in advance was approximately 76.0%. The constant optimisation of the Group’s capital structure has also further enhanced the recognition of financial institutions and supported the continuous improvement of the financing structure. The credit lending and cooperation with the five largest state-owned banks continued to increase, and the scale of trust loan balance dropped significantly for two consecutive years. The Group’s balanced and high-quality growth strategy and excellent performance were also recognised commonly by international credit rating agencies, with S&P’s rating rising from BB– stable to BB stable, Moody’s rating rising from Ba3 stable to Ba3 positive, Fitch’s rating rising from BB stable to BB positive, and CCXAP<sup>1</sup>’s first BBBg– stable rating. The steady improvement in credit ratings is believed to support the continuous reduction in the Group’s future financing costs.

In the first half of 2021, the Group continued to promote product innovation and maintain industry-leading product competitiveness. After successively winning the TOP 1 Product Power (產品力TOP1) by CRIC<sup>2</sup> and EH Consulting<sup>3</sup>, the Group was further awarded the “Top 1 Outstanding Enterprises in China’s Real Estate Products (房地產產品力優秀企業TOP1)” by CIA<sup>4</sup> in the first half of 2021. In addition, focusing on the rejuvenation of its main customers and rapid technological innovation, the Group promoted the innovation of “I AM I” youthful products while conducting research on the consumption trends of high-end customers and upgrading its products, so as to maintain continuous leadership of product competitiveness.

In the first half of 2021, the Group increased its efforts to promote digital technology construction to support the Group’s internal precision management. The digital technology development mainly covers property development, services and culture and tourism segments. The property segment focuses on full-chain digital operation from BIM design, smart calculation, centralised procurement platform, smart construction, online sales platform and customer relationship management, and based on the underlying logic of transparency, fairness and good experience, the segment is committed to creating value for customers and supporting the Group’s internal efforts to improve decision-making and operating efficiency. The service segment has built up an integrated online and offline intelligent service capability by deeply synergizing technology and business. The culture and tourism segment focused on improving user experience, empowering the operation of merchants and realizing refined control to improve the management efficiency through smart construction. The milestones of the Group’s digital technology construction have been recognised by the industry, and Sunac’s smart community project won the 2021 “IDC Future Enterprise Awards – Best in Future of Connectedness (IDC數字化轉型 – 未來聯接領軍者)”.

In the first half of 2021, Sunac Services, the Group’s property management segment, continued to achieve high quality growth in its operating performance with significant growth in revenue and continued optimisation of revenue mix. In the first half of 2021, revenue of Sunac Services was approximately RMB3.32 billion, representing a substantial year-on-year increase of approximately 85.4%. Profit attributable to owners of Sunac Services was approximately RMB0.61 billion, representing a substantial year-on-year increase of approximately 154.4%. With the continuous support of the property segment and third-party expansion, Sunac Services maintained rapid growth in management scale in the first half of 2021. As of the end of June 2021, the gross floor area under management of Sunac Services reached approximately 173 million sq.m., and the contracted gross floor area reached approximately 322 million sq.m..

In the first half of 2021, Sunac Culture & Tourism, the Group's cultural and tourism assets operation segment, achieved rapid growth in operating results, with a number of projects successfully launched across the country and the influence of its ice and snow business continued to increase as a result of rapid development. In the first half of 2021, revenue of Sunac Culture & Tourism reached approximately RMB2.61 billion, representing a significant year-on-year increase of approximately 166.3%, management profit reached approximately RMB440 million and passenger traffic reached approximately 72.01 million, representing a significant increase of approximately 102.9% year-on-year.

In the first half of 2021, while achieving excellent results, the Group also actively fulfilled its social responsibility in the environmental protection and social welfare. In respect of environmental protection, the Group has implemented green practices along the entire chain through procurement of green building materials, green technology R&D, green building design, green construction management and green operation management. In respect of social welfare, the Group has made a cumulative donation of over RMB2.7 billion focusing on areas such as rural revitalisation, architectural heritage conservation, education and disaster relief so far. In August, the Group's achievements in fulfilling its social responsibility were recognised by Sustainalytics, a leading global provider of environmental, social and corporate governance ("ESG") rating, which upgraded the Company's ESG rating to "Low Risk", ranking the best among 70 participating real estate companies in the mainland China.

*Notes:*

1. *CCXAP is China Chengxin (Asia Pacific) Credit Ratings Company Limited (中國誠信(亞太)信用評級有限公司).*
2. *CRIC is 上海克而瑞信息技術有限公司.*
3. *EH Consulting is 上海億翰商務諮詢股份有限公司.*
4. *CIA is China Index Academy Limited (中指研究院有限公司).*

## **Outlook for the second half of 2021**

In the second half of 2021, the overall real estate sales market is expected to be relatively stable. However, with the release of purchasing power and the continuation of regulatory policies in the first half of the year, property purchasers' expectations are changing and the divergence between cities will intensify, with possible downward pressure on sales in some cities. In terms of the land market, with the continuous optimisation of “dual centralization” land supply policy by the government, it will effectively achieve the goals of constraining housing prices, controlling land prices and improving quality, so as to support enterprises to have reasonable profit margins while continuously seeking to create high-quality products, thus guiding the industry to develop in a more healthy and benign manner.

In the second half of 2021, it is expected that the Group's total saleable resources will exceed RMB660.0 billion, of which 29% are located in the Yangtze River Delta region, 25% in the Core Western China region, 20% in the Bohai Rim region, 13% in the Core Central China region and 13% in Southern China region. Sufficient and high-quality saleable resources will strongly support the Group's sales performance and adequate operating cash flow.

In the second half of 2021, in the face of a possible downward sales market and a financial market environment with uncertainties, the Group will strictly control the total amount and pace of land acquisition to ensure sufficient liquidity for the Company while further supporting the continuous improvement of financial indicators and the continuous optimisation of control indicators under the “Three Red Lines and Four Camps” by the central bank. The Group expects that the attributable land premium to attributable sales ratio will be limited to 20% in the second half of the year, and the attributable land premium to attributable sales ratio for the year will be limited to 30%.

Since the second half of 2019, based on the requirements in its own development stage, the Group has proactively implemented a more balanced and high-quality development strategy of “de-leveraging and optimising capital structure”, and thus all debt indicators have been continuously improved and optimised. Starting from the second half of 2021, the Group will be more determined to the strategic direction of balanced and high-quality development, with the strategic objective of “safer, more unruffled, longer-term and more valuable” in the next phase, and strive to continue to create more and longer-term value for the employees, customers, shareholders and society, enabling the enterprise to have a more comprehensive and social reputation. In the second half of 2021, the Group will systematically adjust its development model and internal control mechanism, and will adopt “safer, more unruffled, longer-term and more valuable” as the basic principles and appraisal direction of the team to support the achievement of the new strategic objectives.

In the past course of development, the Group has been actively fulfilling its social responsibility, and has achieved certain results and gained external recognition. In the future, under the new strategic objectives, the Group will further focus on sustainable development and invest more efforts and resources in environmental protection, rural revitalization and social welfare, so as to better fulfill its social responsibility and create long-term value for the society.

## Summary of Land Bank

As at 30 June 2021, the Group and its joint ventures and associates had a total land bank of approximately 278 million sq.m. and an attributable land bank of approximately 164 million sq.m.. The breakdown of land bank by cities was as follows:

Urban circle	City	Attributable land bank '000 sq.m.	Total land bank '000 sq.m.
Yangtze River Delta	Hangzhou	4,411.2	9,052.2
	Wenzhou	2,800.8	4,288.6
	Wuxi	2,529.6	4,566.6
	Shanghai	2,199.5	3,803.8
	Shaoxing	1,661.3	3,217.7
	Jiaxing	1,639.2	1,697.8
	Hefei	1,587.3	1,763.3
	Xuzhou	1,171.6	2,330.8
	Ningbo	1,170.4	2,792.2
	Suzhou	1,132.8	2,632.7
	Nantong	1,071.9	1,777.4
	Changzhou	941.2	1,334.6
	Huzhou	680.9	1,118.5
	Nanjing	616.5	1,353.0
	Others	3,960.1	8,986.4
	<b>Subtotal</b>	<b>27,574.3</b>	<b>50,715.6</b>



<b>Urban circle</b>	<b>City</b>	<b>Attributable land bank '000 sq.m.</b>	<b>Total land bank '000 sq.m.</b>
<b>Bohai Rim</b>	Qingdao	9,394.5	13,371.5
	Tianjin	7,374.5	10,404.9
	Ji'nan	5,021.5	7,682.1
	Dalian	2,336.0	2,510.1
	Harbin	2,335.4	4,287.9
	Taiyuan	2,102.7	3,826.3
	Shenyang	2,051.7	3,983.2
	Shijiazhuang	1,887.5	3,307.0
	Beijing	1,081.9	1,869.4
	Yantai	1,066.2	1,836.2
	Changchun	943.9	1,150.8
	Langfang	939.4	1,683.4
	Tangshan	864.2	1,062.0
	Others	2,947.8	3,867.1
	<b>Subtotal</b>	<b>40,347.2</b>	<b>60,841.9</b>

<b>Urban circle</b>	<b>City</b>	<b>Attributable land bank '000 sq.m.</b>	<b>Total land bank '000 sq.m.</b>
<b>Southern China</b>	Jiangmen	2,419.7	2,618.5
	Guangzhou	2,300.0	4,466.6
	Hainan Province	1,882.1	3,311.4
	Qingyuan	1,684.4	1,938.3
	Fuzhou	984.5	1,759.1
	Huizhou	892.8	927.0
	Shenzhen	810.6	1,535.0
	Zhaoqing	734.4	909.2
	Zhuhai	724.7	857.3
	Foshan	717.3	1,276.3
	Others	3,644.7	7,690.5
	<b>Subtotal</b>	<b>16,795.2</b>	<b>27,289.2</b>
<b>Core Central China</b>	Wuhan	7,881.9	15,794.2
	Zhengzhou	5,018.4	7,959.1
	Changsha	2,111.6	2,736.3
	Nanchang	1,012.4	1,455.9
	Yueyang	800.5	1,392.8
	Ezhou	777.9	1,668.1
	Xianning	630.3	900.4
	Others	1,432.3	2,857.9
	<b>Subtotal</b>	<b>19,665.3</b>	<b>34,764.7</b>

<b>Urban circle</b>	<b>City</b>	<b>Attributable land bank '000 sq.m.</b>	<b>Total land bank '000 sq.m.</b>
<b>Core Western China</b>	Chongqing	14,072.3	23,061.8
	Meishan	7,131.7	13,992.5
	Xi'an	6,488.1	11,523.9
	Chengdu	6,208.0	8,396.9
	Kunming	5,486.6	10,013.7
	Xishuangbanna	2,542.6	3,300.7
	Guiyang	2,316.5	4,298.8
	Guilin	2,314.4	4,604.3
	Nanning	2,253.9	4,397.1
	Dali	1,545.5	2,595.2
	Yinchuan	1,309.9	1,579.9
	Liuzhou	1,050.9	2,433.4
	Beihai	799.3	1,931.5
	Others	5,815.3	12,456.3
		<b>Subtotal</b>	<b>59,335.0</b>
	<b>Total</b>	<b>163,717.0</b>	<b>278,197.4</b>

## OTHER INFORMATION

### Interim Dividend

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

### Senior Notes Issued during the Period

On 26 January 2021, the Company issued (i) the US\$600 million 5.95% senior notes due 2024, and (ii) the US\$500 million 6.5% senior notes due 2026.

On 2 March 2021, the Company issued (i) an additional US\$342 million 5.95% senior notes due 2024 (consolidated and form a single series with the US\$600 million 5.95% senior notes due 2024), and (ii) an additional US\$210 million 6.5% senior notes due 2025 (consolidated and form a single series with the US\$540 million 6.5% senior notes due 2025).

The aforesaid senior notes are listed and traded on the Singapore Exchange Securities Trading Limited, the details of which are set out in the announcements of the Company published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunac.com.cn](http://www.sunac.com.cn)).

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

The Company adopted a share award scheme with effect from 8 May 2018 (the “Share Award Scheme”), details of which are set out in the Company’s announcement dated 8 May 2018. During the six months ended 30 June 2021, the trustee of the Share Award Scheme did not purchase any of the shares of the Company. As at 30 June 2021, on a cumulative basis, the trustee of the Share Award Scheme had purchased on the open market a total of 94,653,000 shares of the Company at the total consideration of approximately HK\$2.57 billion.

On 22 January 2021, the Company announced to redeem the outstanding balance of the US\$800 million 7.875% senior notes due on 15 February 2022 in full on 21 February 2021 (the “Redemption Date”) at a redemption price equal to 102.0% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the Redemption Date. The Company cancelled the notes early redeemed in accordance with the terms of the notes and indentures. Details of the redemption are set out in the announcements of the Company dated 22 January 2021 and 23 February 2021.

Save as the aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2021.

### **Subsequent Events**

#### **Senior notes issued**

On 20 July 2021, the Company issued (i) the US\$400 million 6.8% senior notes due 2024, and (ii) the additional US\$100 million 6.5% senior notes due 2026 (consolidated and form a single series with the US\$500 million 6.5% senior notes due 2026).

The aforesaid senior notes are listed and traded on the Singapore Exchange Securities Trading Limited, the details of which are set out in the announcements of the Company published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunac.com.cn](http://www.sunac.com.cn)).

## Repurchase of the shares of the Company

Subsequent to the end of the reporting period and up to the date of this announcement, the Company has repurchased from open market a total of 13,400,000 shares. All the repurchased shares of the Company have been cancelled. Details of the repurchased shares after the end of the reporting period are as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration (excluding expenses) <i>HKD</i>
		Highest <i>HKD</i>	Lowest <i>HKD</i>	
July 2021	13,400,000	23.75	21.75	303,315,860

## Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as the guidelines for the Directors’ dealings in the securities of the Company. Following specific enquiries of all the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2021 in relation to their securities dealings, if any.

## Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code (the “Corporate Governance Code”) contained in Appendix 14 to the Listing Rules as its own code on corporate governance and had, throughout the six months ended 30 June 2021, complied with all applicable code provisions under the Corporate Governance Code.

The Board recognises and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the business strategies and performance of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on the Listing Rules and other regulatory requirements. The Company has established an internal reporting practice throughout the Group in order to monitor the operation and business development of the Group.

### **Audit Committee**

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Zhu Jia, Mr. Ma Lishan, and Mr. Yuan Zhigang, and is chaired by Mr. Poon Chiu Kwok who possesses the qualification of professional accountant. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company, to review the corporate governance policies and practices of the Group and to perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters related to auditing, internal control and risk management systems and financial reporting, including the review of the unaudited interim results of the Group for the six months ended 30 June 2021.

### **Review of the Interim Results**

The unaudited interim results for the six months ended 30 June 2021 have been reviewed by PricewaterhouseCoopers, the independent auditor of the Company, 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 Hong Kong Institute of Certified Public Accountants.

## **Publication of the Interim Results and Interim Report**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.sunac.com.cn](http://www.sunac.com.cn)). The Company's interim report for the six months ended 30 June 2021 will be despatched to shareholders of the Company and published on the aforementioned websites in due course.

By order of the Board  
**Sunac China Holdings Limited**  
**SUN Hongbin**  
*Chairman*

Hong Kong, 30 August 2021

*As at the date of this announcement, the executive Directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. CHI Xun, Mr. TIAN Qiang, Mr. SHANG Yu, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; and the independent non-executive Directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.*